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25 FEBRUARY 1987

China Report

ECONOMIC AFFAIRS



FOREIGN BROADCAST INFORMATION SERVICE

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25 FEBRUARY 1987

CHINA REPORT

ECONOMIC AFFAIRS

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NATIONAL AFFAIRS, POLICY

LI PENG URGES INCREASED PRODUCTION, THRIFT

OW180802 Beijing XINHUA in English 0654 GMT 18 Jan 87

[Text] Beijing, 18 Jan (XINHUA)—China will launch a nationwide drive on increasing production while practicing economy this year, Vice-premier Li Peng said here Saturday.

Speaking to Chinese engineers, Li Peng said all trades and professions should work hard to contribute more to the country and build China into a prosperous and strong one through thrift.

At present, Li pointed out, still too many capital construction projects are being undertaken and efforts need to be made to cut some of the projects through readjusting the investment structure so as to ensure the undertaking of energy, communications and raw materials projects.

The vice-premier stressed that the import of advanced foreign technology should be based on the actual conditions of China and each of the enterprises and greater attention should be paid to importing what may help the country produce complete sets of equipment.

State Councilor Song Ping who was present noted that some areas still imported what China can produce and this was "a sort of waste."

As a developing country, China is short of funds for its construction and the per capita income is just around what is equivalent to U.S. \$400, much less than that of the developed countries.

He called on people to always keep in mind the principle of hard working and through thrift. [sentence as received]

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CSO: 4020/93

NATIONAL AFFAIRS, POLICY

ECONOMIC MINISTER ON CENTRAL TASK OF URBAN REFORM

OW251653 Beijing XINHUA in English 1610 GMT 25 Jan 87

["Official on central task for 1987 economic reform"—XINHUA headline]

[Text] Beijing, 25 Jan (XINHUA)--The central tasks for this year's urban economic reform is to introduce various forms of responsibility system to further invigorate enterprises, a senior economic official said here this afternoon.

Speaking at a national economic conference called by the state council, Lu Dong, minister in charge of the State Economic Commission, stressed that efforts must be made to enliven the country's more than 7,000 large and medium-sized enterprises, which are the major earners of the country's national income.

The conference, which ended here this afternoon, is regarded as the most important one of the economic departments to map out their annual production planning.

The government issued sets of regulations on relevant policies on invigorating enterprises in the past several years, Lu Dong recalled, adding that this had enabled the enterprises to have some decision-making power, including that to do some business by themselves [as received] and workers have thus benefitted.

To further invigorate enterprises, the minister said, various forms of responsibility system will be introduced to bring into better play the enthusiasm and creativeness of the enterprise and workers and help developing new products and upgrading their equipment and technology.

The entire responsibility system will be trialed out in large and medium-sized state enterprises, he said. According to the system, the factory director will have to achieve his goals set for his tenure.

The goals cover product quantity, quality, profits, progress in technology, new products to be developed and employees' training and welfare, the minister said. Directors will receive rewards or penalties in accordance with their fulfillment of the above-mentioned goals, he said.

This may help ensure that directors pay attention to long-term development of their enterprises rather than their immediate interests, said the minister.

Within enterprises, employees' pay, bonuses and other welfare will also be linked with their performance, added the minister.

Small state enterprises operating with little profits or in deficits will be leased out or contracted, without changing their ownership by the state, to individuals, collectives or other enterprises with better operation management, he said.

Individuals should mortgage their property to what they have leased or contracted and the contracts should have clear stipulations about the long-term development of the enterprises such as the added value of the assets, technology, progress and the development of new products, etc.

The government will continue encouraging cooperation among enterprises and regions, especially cooperation between the enterprises on the one hand and universities and research institutions on the other so as to develop more quality products, the minister said.

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CSO: 4020/93

NATIONAL AFFAIRS, POLICY

OFFICIAL CALLS FOR PROTECTION OF INVENTORS

OW221431 Beijing XINHUA in English 1144 GMT 22 Jan 87

[Text] Beijing, 22 Jan (XINHUA)--A senior leader called on various departments to safeguard the legal and economic interests of inventors, according to today's GUANGMING DAILY.

President of the China Association of Inventions, Wu Heng said "it is a set policy of the state to support inventors, and those who discourage, hinder or steel ideas from inventors should be disciplined or punished."

"A key in realizing modernization is to bring individual initiative into full play, because modernization cannot be realized with only money," Wu said.

Wu added, "for the past few years, people have shown great enthusiasm for inventing new things which has shown positive economic results."

"Some people, including leaders, because of jealousy or personal disagreement, have tried to limit, attack and stop inventors," Wu stressed, "and this is an intolerable phenomenon which must be combatted."

Wu disclosed that the Chinese Invention Association has decided to set up an invention fund to support inventions by non-professionals, especially by middle and primary school teachers and students.

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CSO: 4020/93

JINGJI RIBAO URGES CAUTION IN ISSUING BONDS

HK110732 Beijing JINGJI RIBAO in Chinese 24 Dec 86 p 1

[Article by Guan Zhang (6034 4545): "Bonds Should Not Be Issued 'In a Flurry'"]

[Text] We have recently visited some places to learn about the state of production and construction. Comrades in cities told us that they had to take up many things in urban construction, but they were short of funds: they have now found a way to solve the problem--to raise funds by issuing bonds. Comrades in counties told us that they had rich resources and wished to speed up development, but they were short of funds: they had now found a way to solve the problem--to raise funds by issuing bonds. Comrades in enterprises also told us that their equipment was obsolete and needed to be replaced, but they had difficulty in raising funds; and, after long consideration, they found a way to solve the problem--to raise funds by issuing bonds. It appears that issuance of bonds is a good method since everybody thinks of it. However, we are somewhat worried about the effect of this practice. If everybody chooses to issue bonds in disregard of their own resources, it will possibly lead to a craze of haphazard issuance of bonds, which can be used as a means of transferring capital or squeezing money from others. This will be harmful to both the macroscopic and microscopic economies.

An important prerequisite for issuance of bonds is that the issuer must maintain a good reputation. And the reliability of the reputation of the issuer depends on the outcome of investment. Units with poor performance will have a bad reputation. It will not be easy for them to sell their bonds or they must resort to interest payment at a higher rate before they can attract more people to buy. Anyway, the principal and interest of the issued bonds must be repaid after a certain period. If a unit just issues bonds to make up a deficiency in funds without first considering the possible outcome of the investment, or issues bonds by administrative means, with a jacked up interest rate, then it will possibly fail to pay the principal and interest of the issued bonds and will thus go into bankruptcy and inflict losses upon creditors. Some people now say: Whoever issues bonds will have to pay the principal and interest; thus, the bond issuer will be forced to improve its economic efficiency. I am afraid that this is a one-sided view. It is not at all easy to improve the economic results, although the bond issuer is under pressure. It will be too late to regret if the bond issuer fails to improve its performance and causes losses.

In the wake of the development of the national economy and the further progress of the reform of the economic structure, there has been a remarkable increase in funds of the whole society. Issuance of bonds can ensure the best use of these funds and help to tap idle funds to meet the state's needs. But, anyway, the issuance of bonds can never add to the society's funds. Now that we lack a sound market mechanism, enterprises do not have full decisionmaking power regarding their operation, and the management efficiency of banks is not high enough, if provinces, municipalities, prefectures, counties, and enterprises of all trades issue bonds one after another while the state and the Central Bank are issuing state treasure bonds and other state bonds, things will be done in a disorderly way and the scale of investment in fixed assets will possibly be overexpanded. In addition, there will perhaps be cases of forced purchase of bonds, which may lead to a situation in which funds are out of control, cause sustained inflation, and thus hinder the smooth development of the money market and the financial reform.

In order to keep in line with and promote the further development of the planned commodity economy, a thorough reform of the financial structure is indispensable. Since the expansion of the money market and the issuance of bonds are the important content of the financial reform, there is no doubt that we must adopt a positive attitude toward these two undertakings. However, we are indeed inexperienced in this field. Therefore, we must still mind our step while crossing a river--in other words, we must first work out some safe methods and formulate some provisions that suite the present economic circumstances. At the same time, banks must strengthen their control over this field, and all localities and units must also conduct conscientious feasibility studies for construction projects that are to be financed by issuing bonds, in terms of their investment conditions and economic results, so that blind issuance of bonds can be prevented. The cruxes of the matter are: 1) the quantity of issued bonds must be controlled and the process should not be pushed too fast; and 2) the raised funds must be used on key projects and should never be used to launch any extra-budget projects or to build any nonproductive facilities. Only by adopting such a positive and cautious guideline can we ensure that the issuance of bonds will proceed along the right track and play a role in expediting economic construction.

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CSO: 4006/300

NATIONAL AFFAIRS, POLICY

ARTICLE SAYS STOCK MARKET WILL NOT CHANGE SOCIALISM

OW240744 Beijing XINHUA in English 0658 GMT 24 Jan 87

[Text] Beijing, 24 Jan (XINHUA)--The stock economy, now being tried out in some places of China, will not affect the nature of socialism, says an article in today's GUANGMING DAILY.

"Some people wonder if the country will turn capitalist when enterprises are allowed to issue shares and the ownership of share-certificates can be transferred," says the article signed by Jin Wen, believed to be an economist [as received].

"The socialist system will not change, because the state holds the power in the final distribution of national income and individual income makes up a limited percentage of it, hence the limited capacity of citizens to buy shares."

"Even if all public capital is converted into shares, individual shares will account for a very small percentage, and the controlling position of state-owned shares will remain unchanged," the article says.

"As regards shares bought by foreigners, the state is capable of limiting the amount and will never loose control of a majority of the shares," the article said.

"The state is certain to maintain control over those large enterprises operating in key sectors of the national economy to guarantee their public ownership and socialist management," the article says.

The share holding system is being tried out in Shenyang, Shanghai and other cities as one method of raising funds for construction and enterprise renovation, according to earlier news reports.

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CSO: 4020/93

NATIONAL AFFAIRS, POLICY

EDITORIAL SEES ROLLBACK OF ECONOMIC REFORMS

HK160807 Hong Kong HONG KONG STANDARD in English 16 Jan 87 p 6

[Editorial: "Purge Will Affect the Economic Reforms"]

[Text] More and more it looks as though Comrade Hu Yaobang, party boss and standard-bearer of democratic reforms, is suffering from political illness. An illness that by the weekend may prove to be terminal.

By choice or otherwise, Mr Deng Xiaoping may decide that China in the immediate future would be better off without Mr Hu This, and the turning of some intellectuals into scapegoats, will have an effect on the economic reforms now going on, no matter what Mr Deng or others in the higher reaches of the Forbidden City may think.

It may well be that deep down Mr Deng and these other comrades understand this. Hence the repetition, day after day, that the open-door policy stands unchanged no matter how many "unrepentant" comrades may fall or how much political and intellectual freedom is reined in.

In Beijing, Hong Kong and elsewhere Chinese officials are making every effort to drive home this message of continuity in economic reforms.

But it is precisely because the economic reforms were beginning to flounder that political reforms were seen as necessary. To push the economic reforms to a higher plane there has to be a less totalitarian political structure. The Chinese leadership is not prepared to permit this because it insists that the party must continue to have a tight grip.

To the extent that there will be a gradual stagnation of economic reforms, the current backlash must affect China's open-door policy. As economic reforms stall, a lot of potential investors outside the country are going to ask themselves if the effort is going to be worthwhile.

Mr Deng may already have considered this eventuality. If there is any hope that the political structure will still be loosened after the current furor dies down, it lies in the fact that Mr Deng has seen to it that equally-liberal-minded men are being put into those places vacated by the purge victims.

Mr Teng Teng as the new president of the University of Science and Technology at Hefei, in place of the disgraced Mr Fang Lizhi, is a case in point. The probability of Premier Mr Zhao Ziyang, another liberal, replacing Mr Hu in the party high command is another.

But these may be mere expediences; Mr Deng may be on the retreat. In which case the very strong forces opposed to the economic reforms will continue to bay at his heels for a long time to come. There is no question that they have already smelled blood. An ongoing tussle of this nature could lead to a gradual rollback of economic reforms.

Can Mr Deng now afford to retire this year as planned? Mr Deng must realize that for all the shortcomings, the corruption and other rippling ill-effects of the open-door policy, China's economy has been bounding forward.

The PLA high command is thirsting for the high-tech weapons now within its grasp. The bloodied nose sustained in the 1979 war with Vietnam showed very clearly that China needs such weapons desperately. But China can only afford them if the economy continues to improve.

Yet it must also be admitted at the same time that the beneficiaries of the open-door policy have first been the peasantry and, in recent times, the urban workers as well. The lot of the PLA foot soldier has not improved appreciably. Instead, there has been a determined effort to reduce the army's strength--not something that commanders readily agree to when they see the economic pie growing. This may explain the mounting resistance to economic reforms from those closely associated with the PLA.

This is the bind Mr Deng is in. And he hasn't got very much time left to get himself out of it. With more of the reformists around him being sacrificed, he will also have fewer and fewer such like-minded people with him to carry through the reforms after he goes.

This is one worrying part. The other is that there will be a rollback of the economic reforms, if only temporarily. The question is how long?

Those outside China sympathetic to its problems, as many people in Hong Kong are, have hoped that the purge will not be too painful, or affect those reformists in the highest echelons of the leadership. But it looks as though this hope is in vain.

Perhaps, after a period of "rehabilitation" some of these people will be reinstated. Then Mr Hu can move on to head the military commission as planned; some fresh thinking is clearly needed there.

Mr Hu, Mr Zhao and others around the top leader are men who have helped immeasurably in building up the confidence of Hong Kong people for the post 1997 era. There is a need for more of them, not fewer.

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CS0: 4020/93

NATIONAL AFFAIRS, POLICY

BRIEFS

CENTRAL ECONOMIC INFORMATION CENTER SET UP--Beijing, 24 Jan (XINHUA)--The State Economic Information Center was launched here today. The center is expected to provide timely information for the central and local governments to benefit their macroeconomic management, and also help microeconomic activities with feedback information. The state economic information system has 37 computing centers equipped with 52 big and medium-sized computers and 4,000 technicians and managerial staffs. [Text] [Beijing XINHUA in English 1440 GMT 24 Jan 87 OW] /9738

CSO: 4020/93

PROVINCIAL AFFAIRS

HU PING ADDRESSES FUJIAN GOVERNMENT MEETING

OW271316 Fuzhou Fujian Provincial Service in Mandarin 1100 GMT 25 Jan 87

[text] In his speech at a meeting of the provincial government yesterday, Governor Hu Ping stressed: We must carry out two major tasks well this year. One is to combat bourgeois liberalization, uphold the four cardinal principles, and persist in the policies of reform, opening to the outside world, and invigorating the domestic economy; and the other is to gain a clearer understanding of the guidelines for economic work, persist in seeking truth from facts, and act according to our capability in order to lay a foundation for a stable, long-term development of the province's economy.

Governor Hu pointed out: No trace of romanticism is permitted in economic work. It is bound to impede the sound development of the province's economy if we blindly go after a high growth rate and a high degree of consumer spending, we with one another in this respect, practice formalism. Our province's industrial foundation is weak, and so is its agricultural foundation; and its foundation for grain production is particularly weak. Thus, the province does not have much staying power in developing its economy. Economic development is uneven in various prefectures and cities. There are still some poor rural villages where the problem of food and clothing is yet to be solved. We should have a clear understanding of all this.

He said: Waging hard struggle, increasing production, and practicing economy are required not only by economic work but for the building of spiritual civilization. In the New Year, we must follow the correct guidelines for economic work and act according to economic laws. We should vigorously promote the spirit of hard struggle and of increasing production and practicing economy and the spirit of building up the country through thrift and hard work among the people in the province. Those who resort to deception and who engage in extravagance, corruption, and waste should be sternly dealt with.

In dealing with this year's economic work in the province, Governor Hu Ping pointed out: 1. It is necessary to carry out activities to increase production and practice economy and to increase revenues and reduce expenditures in all trades and professions throughout the province. We should use our limited funds for the development of production and the strengthening of our staying power in economic development. This is a central task in building socialist material and spiritual civilizations. We must effectively carry out this task.

2. It is necessary to strengthen our agricultural foundation and never relax our efforts at grain production.
3. Further efforts should be made to invigorate and protect enterprises and readjust their structure in order to promote the normal development of industrial production.
4. It is necessary to exercise strict control over the requirements for investment and consumption and to vigorously resolve the contradiction between general social demand and supply.
5. High expenditures should be reduced.
6. Continued efforts should be made to do a good job in foreign economic relations and trade, especially in earning more foreign exchange by exporting more commodities.
7. It is necessary to exercise strict control over prices and make proper arrangements for the livelihood of the masses.
8. Conscientious efforts should be made to do a good job in family planning.

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CSO: 4006/292

PROVINCIAL AFFAIRS

GU XIULIAN AT JIANGSU MEETING ECONOMIC WORK

OW221044 Nanjing XINHUA RIBAO in Chinese 9 Jan 87 p 1

[Excerpts] A provincial meeting to study economic consultation was held from 3 to 7 January with a view to improving economic research work, raising the quality of economic consultative service, and making decisionmaking more scientific.

Governor Gu Xiulian, who addressed the meeting, pointed out: To adopt a democratic and scientific method of making decisions is objectively needed by the current reform, opening to the outside world, and the development of the commodity economy, and is an important duty of leaders at all levels. To make decisionmaking scientific, it is necessary to improve research in economic consultation. First of all, it is necessary to improve economic research institutes by creating favorable conditions for them to carry out their work. Second, leadership at all levels must be good at using economic research institutes and making them play their role fully; in accordance with the need to facilitate decisionmaking, leaders should constantly query the institutes, give them new assignments, and constantly sum up their experience to learn ways to use economic research institutes well. Third, it is necessary to link government's day-to-day work with economic consultation research work. Leaders should exchange views and information with researchers and try to improve decisionmaking through various forms and channels.

Governor Gu Xiulian called on economic research institutes throughout the province to pay attention to studying the question of maintaining a sustained, stable, and balanced development for Jiangsu's economy.

In recent years, economic consultation research institutes throughout the province have scored some achievements in helping leaders make decisions and in studying major questions related to reforms, opening to the outside world, and invigorating the economy. Research in development strategies and regional economic research have been quite active. An initial contingent for economic consultation research has been established throughout the province. The meeting participants summed up and exchanged experiences in serving the leadership, relying on the leadership, making the best possible use of favorable conditions and avoiding the effects of unfavorable ones, coordinating with one another to form a network, and raising the quality of research personnel.

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CSO: 4006/292

PROVINCIAL AFFAIRS

SHANDONG COMPANY TO WORK OUT PLAN INDEPENDENTLY

SK201258 Jinan DAZHONG RIBAO in Chinese 29 Dec 86 p 1

[Excerpts] In order to promote and guide lateral economic cooperation among enterprises, expedite the economic structural reform, and develop a planned commodity economy, the State Planning Commission recently decided that effective next year, the plan of the Heavy-duty Vehicle Industrial Enterprise Joint Company will be separated from the state plan. This will be the first time in our country that an enterprise group will work out its plan independently.

This company was established in Jinan in 1983 after state approval. At present, this company has been developed into a national heavy-duty vehicle industrial enterprise group with the Jinan General Vehicle Plant, the Weifang Diesel Engine Plant, and some heavy-duty vehicle plants in Sichuan and Shaanxi as its main body, and with the imported Sitaier [2448 1132 1422] vehicle products with world advanced levels of the 1980's as its major products. The company is engaged mainly in the production and sales of heavy-duty trucks of various categories, including the 91 serialized Sitaier vehicle products imported from Austria with the state's approval.

The independent plan of the company covers major economic targets and relevant targets for social development. Next year, such major targets for production, material consumption, fixed asset investment, technology imports, product sales, import and export trades, and wages may be worked out independently first. Other targets will be formulated in line with the existing system. The company's practice of working out its plan independently will be conducive to the assimilation and mastery of advanced technologies, and will enable us to produce the Sitaier vehicles by ourselves at an early date, thus facilitating the development of our heavy-duty vehicle industry.

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CSO: 4006/306

PROVINCIAL AFFAIRS

SHANGHAI ECONOMIC DEVELOPMENT ON 'HEALTHIER TRACK'

OW170711 Beijing XINHUA in English 0126 GMT 17 Jan 87

[Text] Shanghai, 17 Jan (XINHUA)—Shanghai set its economic development on a "more rational and healthier" track last year, laying a good foundation for the next 4 years of the Seventh Five-Year Plan (1986-1990), Vice-Mayor Huang Ju told XINHUA today.

Latest statistics said that the city achieved a 4.8 percent growth in industrial output value to reach 86.928 billion yuan. If the output of township enterprises is included, the percentage would climb to 5 percent, to 91.5 billion yuan.

And if the enterprises jointly run with other places in China are taken into account, the figures would be further promoted to 5.8 percent, to 93 billion yuan.

However, the vice-mayor said, "what's more important than the speed is the city's strategic shift toward a planned commodity economy."

The target of central and local authorities is to build Shanghai into an economic center open to the outside world with multifunctional functions and rational industrial structures.

To reach the goal, the city expanded the services of finance, transportation, tourism and other forms of service trade and earned 13 billion yuan in 1986—10 percent more than in 1985.

Transportation and public utility facilities were also improved. The total freight volume the city handled in 1986 reached 220 million tons—also a 10 percent increase over the 1985 figure.

Part of the new railway station, now under construction, will be put into use during the busy spring festival which falls on 29 January this year, he said.

And a water diversion project on the upper reaches of the Huangpu River will be completed before July to supply local residents with cleaner drinking water.

The total export trade volume rose to U.S.\$3.58 billion, which was almost 7 percent up on the previous year.

In contrast, the city managed to cut the import volume by 30 percent to U.S.\$1.25 billion. And the ratio between imports and exports was readjusted from 1:2 to 1:3 in the past year, Huang said.

On the other hand, grain output surpassed 2.25 million tons, about 9 percent more than in 1985.

The year 1986 also witnessed brisker marketing in Shanghai. The total retail sales volume was 20.3 billion yuan—10 percent higher than in 1985. There was a more ample supply of nonstaple goods and the peasant markets offered more vegetables and meat.

The food trading volume led the major commodity items last year, which was followed by garments and daily necessities. Color TV sets, refrigerators and washing machines of established brands were in short supply which stimulated production.

Commodity prices remained stable, the vice-mayor said, adding that the income increase of the employees was higher than the price rise. The savings deposit was 9.15 billion yuan, about a third more than in 1985.

The city's revenues for 1986 were 3.3 percent less than in 1985, affected by some readjustment in financial policies. But on the whole, the increase of revenues kept pace with production, Huang said.

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PROVINCIAL AFFAIRS

SHANGHAI: TRADE UNION FEDERATION LEADERS AT PARTY

OW281108 Shanghai City Service in Mandarin 0100 GMT 25 Jan 87

[Text] On 24 January, the Shanghai Municipal Federation of Trade Unions held a joint 1987 Spring Festival get-together at the Shanghai Exhibition Center. More than 500 people, including party and government leaders and the leading comrades of the PLA units stationed in Shanghai, as well as model and advanced workers, cheerfully gathered to greet the forthcoming Spring Festival.

On behalf of the municipal People's Government and municipal CPC Committee, Wu Bangguo extended his greetings and paid respects to model and advanced workers in Shanghai. He called on all of the workers throughout the municipality to uphold the four cardinal principles with a clear-cut stand, stand at the forefront in the struggle against bourgeois liberalization, and maintain the political situation of stability and unity during the new year. Wu Bangguo urged the broad masses to vigorously propagate and carry forward the spirit of waging arduous struggles and of building the country with diligence and thrift, to extensively carry out various activities to increase production, to practice economy, and to increase revenue while reducing expenditures. At the same time, he asked all model and advanced workers to play their exemplary role well.

Attending the get-together were Shanghai's party and government leaders Rui Xingwen, Jiang Zemin, Chen Tiedí, Sun Guizhang, Zhang Dinghong, Shi Zhusan, Zhao Qizheng, Wang Liping, Su Ping and Ye Gongqi. Also attending the get-together were Zhang Ruiying, vice president of the All-China Federation of Trade Unions, as well as Zhong Ming and Zhang Qi.

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PROVINCIAL AFFAIRS

ZHEJIANG GOODS, SERVICES VALUE REPORT

OW162221 Beijing XINHUA in English 1515 GMT 16 Jan 87

[Text] Hangzhou, 16 Jan (XINHUA)--East China's Zhejiang Province reported the fastest industrial and agricultural growth over the past years.

According to the provincial statistical department, the total value of all goods and services produced in the province last year is expected to top 100 billion yuan (U.S.\$27 billion).

This is a 15 percent increase over 1985, the fastest growth rate in the country.

Of this, industrial output value is estimated at 50.8 billion yuan (U.S.\$13.7 billion), about 15 percent more than in 1985, and agricultural output value is expected to reach 13.3 billion yuan, 2.7 percent more than in the preceeding year.

National income will average more than 1,000 yuan (U.S.\$270) per person, up 13.7 percent from the previous year.

The rising of rural industry and service trade has brought increasing prosperity to the province. Last year, the total value of goods and services produced in the countryside amounted to 52.2 billion yuan, 17.5 percent more than the preceeding year. The total value of rural industry came to 26.8 billion yuan, rising well over 30 percent. This has brought per person net income in the countryside to 600 yuan (U.S.\$162), 50 yuan (U.S.\$13.5) more than in 1985.

The province also reported a 19.9 percent increase in export to more than U.S.\$1.1 billion.

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PROVINCIAL AFFAIRS

NEI MONGGOL REPORTS IMPROVEMENTS IN ECONOMY

OW180852 Beijing XINHUA in English 0836 GMT 18 Jan 87

["Booming Inner Mongolian Economy"--XINHUA headline]

[Text] Hohhot, 18 Jan (XINHUA)--Industrial output value of the Inner Mongolia Autonomous Region in North China reached 10,326 million yuan (about U.S.\$2,800 million) with the average annual increase being 9.2 percent in 1984-1986, according to the Regional Statistical Bureau.

The average annual per capita income of the region's one million herdsmen has topped 500 yuan for 3 consecutive years, 100 yuan more than the national average of the peasants, and one quarter of the region's peasants and herdsmen have become better-off.

The region's Statistical Bureau attributed the improvement in industry and people's life to the reform and open policy.

Inner Mongolia has established cooperation ties with 250 regions and cities throughout the country, boasting a nationwide commodity circulating network.

The region's 900 factories have formed 350 large, medium-sized and small economic associations with their more than 1,000 counterparts in other parts of the country and this enabled them to increase their annual output value by 300 million yuan (about U.S.\$80 million).

Inner Mongolia has established trade ties and economic and technical cooperation with some 60 countries and regions in the world, according to the bureau.

It has absorbed U.S.\$54 million of foreign funds for developing building materials, chemical and metallurgical industries, and has imported 56 production lines for metallurgical, woolen textile, tanning, garment and brewery industries.

The region has built and expanded 151 medium-sized and small coal mines with foreign funds.

The herdsmen of this one of the country's five major pastoral areas have provided the state with more than one million heads of commercial livestock, 50 million kilograms of wool, as well as fur products a year since 1984.

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PROVINCIAL AFFAIRS

SHANXI MEETING URGES GOOD EFFORTS IN INDUSTRY

HK070307 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 6 Dec 86

[Excerpts] The provincial government held a telephone conference on the evening of 6 December, which called on the workers of the industry and communications and finance and trade fronts to work hard to increase output and revenue and practice economy, and fight a good battle throughout December.

Vice Governor Yan Wuhong said that this year, Shanxi's industry and communications front has persevered in reform, worked hard, and overcome various difficulties. As a result, industry and communications production has gradually achieved normal, sustained, and steady growth, after abnormally low growth was recorded at the beginning of the year. This proves that the reform measures adopted by the provincial party committee and government are fully correct.

There are now only some 20 days to yearend. The province must achieve a December industrial output value of 1.95 billion yuan in order to fulfill the year's quota. This task is extremely arduous. However, so long as the people's government at all levels and the functional departments throughout the province make full use of existing electric power conditions, improve work style, and continue to seriously implement the measures laid down by the provincial party committee and government, it is certainly possible to fulfill this year's production quota.

Vice Governor Bai Qingcai then spoke. He said: The province's financial revenue situation has been good this year. By the end of November, revenue totalled over 2.576 billion yuan, an increase of 3.9 percent over the same period last year. However, to fulfill the year's quota, it is necessary to achieve a December revenue figure of some 273 million yuan.

Governor Wang Senhao stressed in conclusion that the province must take effective measures to fulfill the assigned tasks.

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PROVINCIAL AFFAIRS

HAINAN ISSUES CIRCULAR ON COMMODITY PRICES

HK230705 Haikou Hainan Island Service in Mandarin 1100 GMT 22 Jan 87

[Excerpts] Yesterday, the Hainan Administrative Regional People's Government issued a circular on seriously implementing the circular of the State Council on maintaining the stability of market commodity prices, demanding that all places and units seriously do well in grasping the commodity price work and continuously maintain the basic stability of market commodity prices.

The circular demands: People's governments at all levels must seriously organize departments concerned to convey and study the circular of the State Council and in conjunction with the specific situation of their localities, to study and formulate specific measures for controlling commodity prices. Before the Spring Festival, all cities and counties must organize a large-scale inspection of commodity prices and resolutely curb the malpractices of indiscriminately raising prices and indiscriminately collecting charges. They must lay stress on inspecting the markets in the seats of the cities and countries and strive to stabilize the prices of main nonstaple foods, including grain and oil, the prices of industrial consumer goods in short supply, and the prices of the main means of production. They must really make good arrangements for the supply of commodities in the markets for the Spring Festival. All business units must strictly observe commodity price policies and discipline and strictly adhere to the state fixed prices of the commodities allocated according to plans. Raising prices in disguised form is strictly prohibited. In accordance with the state stipulated principles and method of fixing prices, business units must fix rational prices for commodities which are not covered by plans or the control of whose prices has been lifted. We must resolutely oppose people who take the opportunity of the festival to raise prices. According to the seriousness of their cases, people must be criticized, educated, or sanctioned.

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PROVINCIAL AFFAIRS

HENAN MEETING DISCUSSES PRICING POLICIES

HK190355 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 18 Jan 87

[Excerpt] A provincial conference on price work, which concluded on 17 January, decided that the general demand in this work in Henan this year is to persevere in reform, make steady progress, keep market prices basically stable, and keep retail price increases in the markets below the planned target.

This year the province will implement the principle of taking small steps in price reform. With the exception of a very small number of industrial and agricultural products whose prices, currently irrational to the extent of affecting their production, should be readjusted in a planned and measured way, the prices of goods will be basically kept unchanged.

The meeting studied and formulated measures for ensuring price stability in the province this year. These include strictly controlling price hikes. Localities and departments may not arbitrarily increase prices of major commodities that are controlled at and above the provincial level. Documents transmitted by the departments concerned regarding price readjustments must first be approved by the price departments at the same level. No readjustments will be made in prices of ration grain and oil for urban residents.

It is necessary to strengthen guidance regarding certain commodities whose price restrictions have been lifted. If market prices are too high, a ceiling will be stipulated. It is necessary to strengthen control of the grain markets.

State-owned enterprises are strictly forbidden to compete with each other in procurement prices. The prices set by the state must be firmly adhered to regarding production materials included in the plan. Arbitrary price hikes and so on must be banned, and illegal income must be confiscated. Such people will be dealt with according to the seriousness of the case.

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PROVINCIAL AFFAIRS

HENAN'S ECONOMY DEVELOPING STEADILY

HK231138 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 22 Jan 87

[Text] Under difficult and complicated economic environments, the province's economy increased steadily and developed healthily in 1986. According to initial statistics and estimates of the provincial statistics bureau, the province's total social output value in 1986 is expected to increase by over 6 percent over 1985; the province's national income is expected to increase by over 4 percent; and the province's financial income also increased.

Last year, the province was hit by serious natural disasters rare in the past 40 years, but the province's grain production output was not bad. It was one of 4 years since the founding of the PRC when grain output exceeded 50 billion jin.

The peasants' enthusiasm for developing production and overcoming the natural disasters has been aroused. The province's grain-growing area was over 72 million mu, an increase of over 1 million mu from 1985.

The province's industrial production rid of stagnation in the first half of last year, has developed healthily since June, with its pace accelerating month by month. The regulating role of market mechanism has been strengthened continuously. New readjustments have been made in the product mix. The production of unmarketable products has been curbed to an extent and the production of marketable goods has been speeded up.

Last year, the province's domestic and foreign trade was booming and active; and goods supplies to domestic markets were better than previous years. The province's social commodity retail sale volume is expected to reach some 24 billion yuan, an increase of 10 percent over 1985. The province's export trade fulfilled the annual target ahead of schedule. The price indices were controlled within the limit of the plan. The livelihood of urban and rural people in the province has been upgraded to different levels in 1986. The workers' average pay increased by over 10 percent over 1985. The peasants' annual per capita income was not lower than that in 1985. The daily expenditures of urban and rural people in the province increased by seven and three percent respectively.

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PROVINCIAL AFFAIRS

HUNAN GOVERNOR ATTENDS SYMPOSIUM ON URBAN DEVELOPMENT

HK080927 Changsha Hunan Provincial Service in Mandarin 0100 GMT 8 Dec 86

[Text] Yesterday some 380 specialists and scholars and personnel engaged in urban work from all over the country met in Changsha to discuss China's urban development and social problems. This is the first symposium on urban economic and social problems since the founding of the PRC.

At the opening of the symposium, famous economist Xu Dixin gave a briefing on China's urban development. He expressed the hope that theoretical and practical workers attach importance to the study of urban economic and social problems and called for deeper study of general strategies for urban development, reform of the urban political structure, and development and construction in small cities.

Yesterday morning, Governor Xiong Qingquan was invited to attend the opening ceremony and delivered a speech.

In his speech, Governor Xiong gave the following three opinions:

1. It is necessary to learn from the experiences of fraternal provinces and cities in developing and perfecting the market system. Cities are not castles. To develop a commodity economy, cities must first of all open up and establish commodity markets and other major markets, such as a technological market, an information market, a funds market, a labor service market, and a real estate market.
2. It is necessary to learn from the experiences of fraternal provinces and cities in expanding the influence of cities.
3. It is necessary to learn about the experiences of how to integrate the urban and rural areas and establish economic networks.

This symposium was jointly sponsored by the editorial department of ZHONGGUO CHENGSHI JINGJI SHEHUI NIANJIAN [China's Urban Economy and Society Yearbook] and the people's governments of the province's Changsha and Dayong Cities.

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PROVINCIAL AFFAIRS

HUNAN MEETING STRESSES 'BASIC PRICE STABILITY'

HK190607 Changsha Hunan Provincial Service in Mandarin 1100 GMT 18 Jan 87

[Text] A 5-day provincial conference on prices decided that the general demand in pricing work this year is to persevere in reform, advance steadily, and give priority to maintaining basic price stability in the markets.

Summing up pricing work in the past few years, the meeting held that it is essential to follow one main principle in this work: It is necessary to guard against loss of control over prices resulting from a price spiral, whereby price increases become greater than finances, the enterprises, and the consumers can bear.

To maintain basic price stability in the market this year, while further strengthening and improving macrocontrols, the province will take a series of effective steps in price stabilization, including doing everything possible to keep steady the prices of the food basket, such as vegetables, pigs, fish, poultry, eggs, milk and egg products; vegetable prices are to be stabilized at last year's level. Prices of ration grain and oil for urban residents will not be readjusted. There will be no change in cigarette prices. Prices of color television sets, sugar, soap and other products will remain unchanged in accordance with the methods stipulated last year.

While maintaining basic price stability in the markets, we should take measures to further ease the burden on enterprises that really cannot get by, through perfecting the internal mechanism in the enterprises, firming up raw material supplies according to plan, rationally reducing or waiving taxes, and practicing mutual concessions within the enterprises and between industrial and commercial enterprises.

The meeting called on the price departments to do a good job in price inspection and supervision work. Those who harm the interests of the state and people for the sake of individual interests must be seriously investigated and dealt with. Cases of fabricating lies to cause panic and disrupt market prices must be dealt with severely.

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PROVINCIAL AFFAIRS

HEILONGJIANG GOVERNOR SPEAKS ON 1987 ECONOMIC WORK

SK281157 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 24 Jan 87

[Text] On the afternoon of 24 January, the provincial government held a telephone conference to make arrangements for the current economic work.

Hou Jie, governor of the province, stressed in his speech: We must achieve two great matters this year: The political and ideological fronts should oppose bourgeois liberalism; and the economic front should launch activities of increasing production and practicing economy and of increasing income and reducing expenses in an effort to ensure a long-term steady economic development.

Hou Jie emphatically discussed a few points on the current economic work.

First, we should make up our minds to restrict the overheated atmosphere and to relax the situation of unduly high demands. A situation exists in the province in which the scale of capital construction is too large, the standards for construction are unduly high, and the people are too impatient to change the features. We must understand that it is a great matter of both economic and political significance. All localities should ideologically examine the problems in this regard. We must persist in the principle of seeking truth from facts and of acting according to our capability to conduct economic construction and develop all undertakings. Restricting the current overheated atmosphere does not mean that we do nothing from now on. For instance, we should continue to conduct lateral economic cooperation and should make efforts to grasp the work of using foreign capital. In short, we should persist in the principle of opening to the outside world to enliven the domestic economy.

Second, this year the province should extensively launch activities of increasing production and practicing economy and of increasing income and reducing expenses among different professions and trades. The State Council has made a detailed plan for launching these activities. In line with the plan of the State Council, we should achieve the work in the production and circulation fields. We should deepen the enterprise reform, implement three regulations, raise product quality, reduce consumption, cut down on expenses, and comprehensively raise economic results. Simultaneously, we should continue

pioneering international markets and enhancing our capability of creating foreign exchange through exports. All localities should make early arrangements and fix the targets of increasing production, practicing economy, increasing income, and reducing expenses for each and every unit and enterprise.

Third, we should strictly control the scale of investment in fixed assets. Although the province has basically controlled the planned scale of capital construction, investment in capital construction not covered by the budgetary plan shows an undue increase. In particular, some localities and departments have built some projects not covered by the plan. Such practices are not allowed. We should resolutely stop the construction of extra-budgetary projects. The construction of planned projects in which no guarantee of completion is ensured in terms of the supply of electricity, raw materials, and capital should be stopped or delayed for future solutions.

Fourth, we should practice economy and oppose extravagance and waste. The tendencies of going in for ostentation, extravagance, and waste have arisen over the past few years since we have paid less attention to the principle of showing the utmost fortitude and building our country through diligence and frugality. This situation is not conducive to economic construction nor to the improvement of party style and social conduct. Viewing the situation of the province's expenditures, we have come to know that expenditures in 1986 doubled that of 1985. Most of the spending in 1986 was used reasonably for developing undertakings. However, some spending was used extravagantly. All localities should widely and deeply conduct the education on showing the utmost fortitude and building our country through diligence and frugality. We should guide the people to pay attention to developing production instead of stimulating their appetites with high consumption. This year, we should greatly reduce meeting expenses, allowances for official trips, and expenses for giving banquets; and should make possible means to reduce the occasions of receiving foreign guests.

Fifth, we should make good arrangements for urban and rural markets, stabilize goods prices, and achieve grain purchasing work. At a time when the Spring Festival is soon coming, all localities should ensure a good supply of festive commodities and add networks to satisfy the people's demands. Conscientiously in line with the guidelines of the State Council's circular on strengthening management of goods prices and basically maintaining steady goods prices, we should strengthen the management of goods prices and strictly prevent the occurrence of the tendencies of arbitrarily raising goods prices to protect the interests of consumers. So far, the province has fulfilled 92.3 percent of the total grain purchasing plan. All localities should conscientiously make efforts to fulfill the grain purchasing plan as soon as possible. We should pay particular attention to the work of making preparations for plowing and sowing. This year, we should ensure that the grain output be raised to a new level. On this premise, we should further readjust the agricultural structure and develop town and township enterprises.

In his speech, Governor Hou Jie also said that we should have a firm and clear-cut stand and act in unison with the central authorities to oppose

bourgeois liberalism. We should strictly abide by discipline. Political and ideological fields should take a prudent attitude toward economic and theoretical problems. We should make efforts to safeguard the situation characterized by political stability and unity and to promote the development of reform and economic construction.

On behalf of the provincial government, Hou Jie wished all of the people of the province a happy lunar new year.

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PROVINCIAL AFFAIRS

LIAONING SCORES PRODUCTION ACHIEVEMENTS IN 1986

SK140135 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 12 Jan 87

[Text] According to our station reporter at the enlarged plenary session of the provincial People's Government, despite the continuous flood disasters over the past 2 years, the province managed to better fulfill the 1986 economic and social development plan. This has enabled the national economy as a whole to develop in a steady, stable, and harmonious way along the target set by the Seventh 5-Year Plan, has further consolidated and developed the political situation of stability and unity, and has enabled various fronts to score better achievements in work.

In 1986, the province showed a sustained increase in both industrial and agricultural production and main proportional relations among the sectors of both industry and agriculture have further inclined to a harmonious standard. The province's total grain output reached more than 12 million tons, a 23-percent increase over the 1985 figure. The province reversed the industrial dropping trend in the first several months of 1986 and has upgraded its speed in industrial production quarter after quarter. As a result, a good situation has taken shape in which an increase scored in light industrial production has surpassed that in heavy industrial production, an increase scored by the collectively-owned enterprises has surpassed that by the state-run ones, and the proportion of fine-quality products has increased. The province realized 78.3 billion yuan in its total industrial output value, an 8.6-percent increase over the 1985 figure. The province also had a better situation in both financial and monetary circles and scored a 4.5-percent increase over the 1985 figure. The volume of procuring export commodities surpassed the 1985 figure by 46 percent and the volume of foreign exchanges earned by exports surpassed the 1985 figure by 17 percent, making a breakthrough in the province's standstill export situation prevailing in the past many years. Markets in both urban and rural areas have enjoyed brisk sales, the people's livelihood has been steadily improved, commercial circulation channels have increased, collectively-owned and individually-owned firms have achieved new development, and the forms of purchase and sales have become varied day after day. Total social retail sales surpassed the 1985 figure

by 32.3 percent. The large-scale supplies of farm and sideline products, including grains, edible oil, meat, and vegetables to which the people show great concern, were better than that of 1985.

In 1986, the province made job arrangements for more than 192,000 jobless people. The per worker wage income among the local state-run enterprises and the per capita income in the rural areas respectively showed a 19-percent and an 11.1-percent increase over the 1985 figure. The resident saving deposits of both urban and rural areas surpassed the 1985 figure by 39 percent. The per capita acreage in urban housing supply reached 4.5 square meters.

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PROVINCIAL AFFAIRS

SHENYANG WORKERS OPEN OWN ALUMINUM SMELTER

OW140212 Beijing XINHUA in English 0112 GMT 14 Dec 86

["News feature: Bankrupt Plant Workers Find New Jobs"—XINHUA headline]

[Text] Shenyang, 14 December (XINHUA)—Li Guiqiang, a former employee in a bankrupt plant in northeast China's city of Shenyang, has had little reason to celebrate in the past four months. Last Friday, however, he insisted on passing the bottle for a few toasts with his friends.

The young man and his colleagues had the unenviable distinction of being the first Chinese workers to lose their jobs because their factory went bankrupt.

But the closure of their plant may have been a blessing in disguise. Last week Li and five of his former co-workers became the owners and operators of their own factory.

The six former employees have founded a small aluminum smelter with an interest-free loan of 30,000 yuan (8,000 U.S. dollars) from the local government. They launched the mill in cooperation with a small rural enterprise. On Friday, they successfully fired the smelting furnace on its first attempt. "Small as it is, the furnace has lit up the hope in our lives again," said Yin Yingxian, a 42-year-old woman, who is the mill's director.

The mill is confined to less than two hundred square meters and has only three rooms but it has established contacts with a large enterprise in the city which has ensured a supply of raw materials and has guaranteed sales, said the director.

"The work we do now is just the same as that in the closed plant, but the results are totally different," said Yin who was the deputy director of the closed plant which made anti-explosive devices.

She says productivity has shot way up by 30 percent. "If we keep on like this," said the director, "we will be able to turn out at least 150 tons of aluminum every month." "I'll make at least one hundred yuan in the first month," said He Fengzhen, 39, who is one of the six workers in the new mill. She had been receiving 49.5 yuan (13.2 U.S. dollars) of unemployment

relief every month for four months. With this money, she had to support her mother-in-law and two sons and take care of her husband who had been sick for some time.

"The first time I went to fetch the relief, I was really afraid that reporters would take a picture of my sad face," recalled the woman. "When I take this month's pay, I want a good picture taken," she told the reporter.

So far, all but one of the 27 workers in the bankrupt plant have found new jobs. The remaining jobless person was offered a job but declined in the hope of finding a better one, said two officials who came to the mill to celebrate its successful opening.

The launching of the mill has thrown new light on the hope of finding jobs for workers of bankrupt factories in the future, said the officials from the district government where the closed plant is located. It is significant to the nationwide implementation of the trial bankruptcy law that has just been passed, said the two officials.

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PROVINCIAL AFFAIRS

QINGHAI HOLDS PRESS BRIEFING ON ECONOMIC WORK

HK250838 Xining Qinghai Provincial Service in Mandarin 2300 GMT 22 Jan 87

[Text] Yesterday afternoon [22 January] the provincial Statistics Bureau held a press briefing on the province's economic work in 1986.

A responsible comrade of the provincial Statistics Bureau said that in 1986, the province's economy increased continuously and steadily. The province's industrial and agricultural output value for 1986 is expected to reach some 3.29 billion yuan, an increase of 6.47 percent over 1985. The province's national income is expected to reach some 2.65 billion yuan. The province has further readjusted the agricultural production structure and reaped a good harvest in its grain production. The trend of excessive growth of industrial production has been curbed and industrial production is now developing reasonably and solidly in the province. The province has improved economic results in fixed assets investment. The market is brisk and price increase has been eased. The province's financial income in 1986 marked an all-time high. People's livelihood has further improved. The specific indications are as follows:

1. The province's agricultural production has maintained a considerable growth rate. According to a spot check, the province's grain output in 1986 reached some 9.83 billion tons and the province's sideline production output value amounted to some 80 million yuan, an increase of 59 percent over 1985. The amount of large livestock and sheep on hand in the province at the end of 1986 was 21 million, an increase of 9.55 percent over 1985. Due to a good harvest in agriculture and animal husbandry and to the development of forestry, sideline production, and fishery, the province's agricultural output value in 1986 is estimated at 1.06 billion yuan, an increase of 2.4 percent over 1985.
2. The province's industrial production has developed at a relatively quick pace in the course of reforms. According to initial statistics, the province's industrial output value in 1986 is expected to reach some 2.23 billion yuan, an increase of 10.18 percent over 1985 and higher than the national average.
3. The province's domestic and foreign trade developed quickly. The market was brisk and the trend of price increase has been curbed.

4. The province has basically controlled the fixed assets investment size and improved economic results in investments. According to statistics, the province started 558 new capital construction projects in 1986, 113 less than 1985. The growth rate of the province's fixed assets investment in 1986 was lower than that in 1985 and marked results have been achieved in investments. The construction of large and medium-sized projects has also been speeded up.

5. The province's financial income in 1986 marked an all-time high and the credit size has expanded. The province's local financial income in 1986 exceeded 300 million for the first time, reaching 330 million yuan. The total deposits in the province's banks and credit cooperatives at the end of 1986 amounted to some 3.03 billion yuan, an increase of 1.78 billion yuan than that at the end of 1985.

6. The income of workers and peasants has increased and people's livelihood has further improved. The average monthly income of urban and town residents in 1986 reached 83.51 yuan, an increase of 12.74 yuan over 1985. The annual per capita net income of peasants and herdsmen in 1986 reached 369 yuan, an increase of 26 yuan or 7.6 percent over 1985.

In conclusion the responsible comrade of the provincial Statistics Bureau explained the main problems in the province's economic development. 1. The province's grain production is wavering up and down. 2. The targets for economic results set by industrial and communications enterprises are far from satisfactory. 3. Increases in local financial expenditure are higher than the increases in local financial revenues.

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CSO: 4006/292

PROVINCIAL AFFAIRS

XINJIANG CONFERENCE ON PRICE WORK ENDS 20 JANUARY

HK220253 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 20 Jan 87

[Excerpts] The regional conference on commodity price work, which concluded today, proposed: The general principle of the commodity price work for this year is to adhere to reform, to forge ahead steadily, and to continuously carry out reform of prices and to straighten out the price relationship under the premise of maintaining the basic stability of the market commodity prices.

The conference stressed: Commodity prices are the comprehensive reflection of the national economy. While making arrangements for controlling commodity prices this year, all places must fully consider the effect of the rise of the relaxed prices on the level of the commodity prices, the effect of the change in the prices of commodities in the places of origin on the places to which they are sold, and the effect of the rise of a number of prices in the markets and fairs. All places and departments must give guidance to the relaxed prices of relatively important commodities and strengthen control over prices and charges. Where necessary, we must fix the maximum retail prices of urban main nonstaple food and the maximum prices of certain means of production uncovered by plans.

The conference proposed: It is essential to take measures to resolutely investigate and deal with the malpractices of indiscriminately raising prices and indiscriminately collecting charges. It is imperative to carry out regular mass large-scale inspection of commodity prices. In particular, it is necessary to strengthen the management of the prices of meat, drinks, and daily-use industrial products which closely concern the livelihood of the people and to strictly deal with the problems discovered.

Leaders of the regional party and government, including Zhang Sixue and Huang Baozhang, attended the conference and spoke.

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CSO: 4006/292

PROVINCIAL AFFAIRS

GUIZHOU CONFERENCE ARRANGES RURAL WORK TASKS

HK190359 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 18 Jan 87

[Excerpts] The provincial rural work conference concluded on 18 January after 7 days in session. The conference held: This year the province must continue to carry out the party's policies, carry out reforms in depth, and promote sustained and steady development of the province's rural socialist commodity economy.

The meeting called on all localities to attach great importance to grain production, increase output, and gradually raise the level of self-sufficiency.

The meeting stressed that the party and government leaders and the cadres and masses must further emancipate their minds and establish new concepts suited to the development of socialist commodity economy. They must get rid of old ideas such as being satisfied with the status quo, and be bold in pioneering and creation. We must eliminate old ideas of egalitarianism and so on and establish the new concepts of development through competition and getting rich through hard work.

On the basis of the household contract responsibility system with payment linked to output, we should vigorously develop enterprises run by households and combinations of households, and individual entrepreneurs. We should develop township and village collective enterprises and organize the peasants to enter the markets and enliven circulation. District and township cadres and urban science and technology personnel should be allowed to go down to the rural areas to run township and town enterprises, to bring about a relatively rapid development of commodity economy.

Under the premise of improving economic results, it is necessary to work hard to speed up the pace of rural economic development and strive for a slightly higher growth rate than the national average.

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CSO: 4006/306

PROVINCIAL AFFAIRS

SICHUAN CITY EXPERIMENTS WITH SHARE-HOLDING

OW171016 Beijing XINHUA in English 0150 GMT 17 Jan 87

["News Feature: Chongqing Tries Share-Holding Economy"--XINHUA headline]

[Text] Chongqing, 17 Jan (XINHUA)--The setting up of share-holding enterprises in Chongqing, an experiment in its urban economic restructuring, seems to have injected fresh blood into its economy, according to an official in charge of the city's restructuring work.

Chongqing, in Southwest China's Sichuan Province, is a pioneer in the country's present economic reform. Its share-holding businesses involve industry, commerce, finance and telecommunications, as well as township-run businesses.

The Chongqing Packing and Printing Industrial Joint Company, the first share-holding business in the Chinese packing industry, was formed last September with 4.17 million yuan collected by selling stock to 119 state-owned and collective enterprises, research institutions and universities in Beijing, Guangzhou and Shenyang.

And state-owned factories hold 81 percent of the total shares, Han Shunwei, general manager of the company, told XINHUA.

The Chinese Government has encouraged enterprises of different economic sectors to carry out lateral economic and technological cooperation in the past several years.

The present experiment seems to have made related cooperators work more closely. "That's because share-holders have to share both profits or losses," said Luo Ping, who is in charge of the city's restructuring work.

In Chongqing's share-holding enterprises, Luo said, the state businesses control at least 70 percent of the shares, and the other 30 percent are bought by collectively-run factories and individuals.

The share-holding businesses are not attached to any government institutions. They are run by boards of directors who are elected by workers or appointed by shareholders.

Factory directors or managers are responsible for production under the leadership of boards of directors, Luo said.

The experiment can help collect funds from society. According to statistics, Chongqing's share-holding enterprises (including township-run businesses) collected 360 million yuan (about U.S.\$100 million) last year.

The Chongqing Radio Telephone Co Ltd, a shareholding business run by the Chongqing Telecommunications Bureau and some other groups, collected 6.9 million yuan last year to build a telephone facility.

The company, China's first telecommunications business run by local institutions, will install 1,000 radio-telephones this year.

According to the city's township enterprises management bureau, Chongqing has more than 17,000 rural shareholding businesses.

Some economists here hold that the experiment is a bold one in the present urban economic restructuring.

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CSO: 4020/105

PROVINCIAL AFFAIRS

INTELLECTUALS ENCOURAGED TO BECOME '10,000-YUAN HOUSEHOLDS'

HK070343 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 5 Dec 86

[Excerpts] According to SICHUAN RIBAO, readers have paid much attention to the report that Governor Jiang Minkuan has put forward new measures for unfreezing talent and allowing intellectuals who go to the rural areas and medium and small enterprises to get rich ahead of others. On 5 December, our reporter visited Comrade (Qi Yang), director of the provincial structural reform office, taking with him a number of specific questions raised by readers.

The reporter asked: Can intellectuals get rich, and become 10,000-yuan households?

Comrade (Qi Yang) replied: They certainly can, and indeed they should. There are still old concepts in society that hold that physical labor is production and creates wealth and commodities, and should therefore enjoy high income, whereas there seems to be something wrong about mental workers receiving a bit more remuneration. This concept must be fundamentally changed and discarded. Science and technology personnel and managers have talent and make contributions, and their remuneration should be higher than for ordinary labor. This is also the orientation for future wage reforms.

The reporter asked: Why should intellectuals be encouraged to go to medium and small enterprises and rural township and town enterprises?

Comrade (Qi Yang) replied: We are now in a period of replacing one system with another. The irrationalities of the old system restrict the mobility of talent and also cause irrationality and waste in the labor resources structure and its use. The majority of intellectuals in Sichuan are concentrated in large and medium cities, tertiary education institutes, scientific research units, defense industry units, and large and medium backbone enterprises. In these units, there is a surplus of personnel, and talented people are stockpiled and wasted. This actually has an adverse effect on the units' efficiency and results, and they lack competitiveness.

Yet medium and small enterprises, rural township and town enterprises, and the rural areas are extremely short of talent. This restricts their development. To develop the economy, it is essential to make talent mobilize, and

to break through old concepts and policy demarcation lines, including old economic policy provisions. We should allow and encourage talented people to go to places where they are needed. To encourage science and technology personnel and managers to go down now is a policy endorsement of the mobility of talent.

The reporter asked: If the income of the intellectuals who go down is all kept by themselves, what happens if their income exceeds 10,000 yuan? How can the criteria for tax payment be set?

Comrade (Qi Yang) replied: No matter how great the income, it is guaranteed by law and policy so long as it is legitimate. At present the policies regarding distribution are being drawn up. A rational method will be proposed. Those with large incomes will pay tax in accordance with the provisional regulations on individual income regulating tax, which come into effect on 1 January, and with the relevant rules and regulations.

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CSO: 4006/292

PROVINCIAL AFFAIRS

BRIEFS

GUANGXI BORDER AREAS THRIVE—Nanning, 20 Jan (XINHUA)—People of various nationalities in the border areas of South China's Guangxi Zhuang Autonomous Region are busy purchasing goods for the country's traditional spring festival, which falls on 29 January this year. Local statistics official told XINHUA that the 1986 industrial and agricultural output value of the seven counties and cities on the border areas was two times their 1979 figure. Retail sales rose to 400 million yuan (about U.S.\$108 million) in 1986 from 190 million yuan (about U.S.\$51.4 million) in 1979, while local residents' bank savings increased sixfold, from 13 million yuan (about U.S.\$3.5 million) to 72 million yuan (about U.S.\$19.5 million). Industrial and agricultural output value of the 1,400-household Dongxing village exceeded three million yuan (about U.S.\$810,000) in 1986, 3.5 times the figure in 1979; and bank savings averaged more than 1,000 yuan (about U.S.\$270) per household. Peasants in Longyi village in the Tinghao mountainous area, only a dozen meters from the border, increased their income from diversified economy over the past years, and now 80 of the 86 households have built brick-and-tile houses. Every household uses electric lamps and has running water, and the village, where all roads have been paved, is now linked with interior areas by motor vehicles. While guarding the border areas, Chinese frontier guards also helped the local people in boosting their economy. [Text] [Beijing XINHUA in English 0222 GMT 20 Jan 87] /9604

CONSULTATION AVERTS BANKRUPTCIES—Shenyang, 20 Jan (XINHUA)—Thanks to help from technology consultants, more than 600 enterprises in Shenyang, capital of Liaoning Province, have been saved from bankruptcy. The Shenyang Yanfeng pharmaceutical factory is one of them, Qiu Chengjian, deputy chairman of the provincial Association for Sciences and Technology, told the association's third congress here recently. The association sent technicians to the factory to help it develop new medicines. As a result, the factory was able to hand over 465,000 yuan in taxes last year. There are more than 1,000 technology consultancy agencies with some 2,500 personnel throughout the province, he said, of which the technology consultation center of the association was the first in the country. Consultancy services range from agriculture and industry to transportation and energy, the deputy chairman said. Some 38,000 technological items introduced to enterprises through the agencies have created 3.5 billion yuan in profits in recent years, he added. [Text] [Beijing XINHUA in English 0842 GMT 20 Jan 87] /9604

HUBEI OUTPUT VALUE, INCOME--According to statistics, the province's gross social output value and income increased steadily in 1986 compared with 1985. The province's gross social output value for 1986 is expected to reach some 80.3 billion yuan, an increase of 7.8 percent over 1985. The people's income of the province for 1986 is expected to reach some 33.8 billion yuan, an increase of 4.6 percent over 1985. [Summary] [Wuhan Hubei Provincial Service in Mandarin 1000 GMT 20 Jan 87 HK] /6662

HUBEI SPRING FESTIVAL GATHERING--The provincial CPPCC held a spring festival tea party in the Hongshan Hotel, Wuchang, today. Guan Guangfu, Huang Zhizhen, Quo Zhenqian, Li Wei, and Zhao Fulin attended the gathering, together with people of various sectors and Han Ningfu, a member of the Central Advisory Commission. The participants discussed the excellent situation in reform and exchange spring festival greetings. Wang Ranzhong, vice chairman of the NPC Standing Committee, also attended. Zhao Fulin said in a speech: Last year Hubei's total industrial output value was 67 billion yuan, a rise of 8.2 percent over 1985. The province's markets are prosperous and prices are basically stable. Financial revenue has risen steadily, and living standards are continuing to improve. [Text] [Wuhan Hubei Provincial Service in Mandarin 1000 GMT 24 Jan 87 HK] /6662

JIANGSU COUNTIES' MEETING--The revenues of 14 counties in Jiangsu topped 100 million yuan each in 1986. The revenues of these counties accounted for 24.7 percent of the province's total. In her speech at an experience-exchange meeting by the 14 counties today, Governor Gu Xiulian encouraged those present to continue upholding the four cardinal principles and to further implement the policies of reform, opening to the outside world, and invigorating the domestic economy in order to develop the economy and strengthen our financial resources. She also called for promoting such social practices as hard struggle, building up the country through thrift and hard work, contributing more to the state, and strictly observing discipline in all trades and professions throughout the province. Governor Gu Xiulian also presented certificates of merit to representatives from the 14 counties. [Excerpts] [Nanjing Jiangsu Provincial Service in Mandarin 1015 GMT 24 Jan 87 OW] /6662

HENAN INDUSTRIAL ACHIEVEMENTS--Henan's industrial output value last year rose by 6.2 percent over 1985. By the end of the year, 1,200 industrial enterprises owned by the whole people were practicing the plant manager responsibility system, representing about 30 percent of the total number of such enterprises. According to initial statistics, the province's industrial output value during the year was 34.2 billion yuan. Light industry registered a 5.7 percent increase over 1985, while heavy industry rose by 6.9 percent. [Summary] [Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 24 Jan 87 HK] /6662

TIANJIN INDUSTRIAL PRODUCTION ACHIEVEMENTS--In 1986 Tianjin Municipality realized more than 30 billion yuan in its total industrial output value and achieved a large-scale increase in the output of products in short supply. The municipality also earned 2.312 billion yuan in foreign exchange by exporting industrial commodities, a 15-percent increase over the 1985 figure. [Excerpts] [Tianjin City Service in Mandarin 0030 GMT 14 Jan 87] /9604

SHANDONG INDUSTRIAL PRODUCTION ACHIEVEMENTS--In 1986 Shandong Province realized 59.235 billion yuan in its total industrial output value, a 9.7-percent increase over the 1985 figure. The province's total industrial output value including that of village-owned enterprises actually reached 68.7 billion yuan, a 14.1-percent increase over the 1985 figure. [Excerpt] [Jinan Shandong Provincial Service in Mandarin 2300 GMT 12 Jan 87] /9604

SICHUAN INDUSTRIAL OUTPUT--Sichuan's total industrial output value last year was 48.22 billion yuan, an increase of 2.83 billion yuan--more than 6 percent--over 1985. This was achieved despite severe shortages of electric power, capital, and raw materials. Output value in December was 4.83 billion yuan. [Summary] [Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 13 Jan 87] /9604

GUANGDONG FINANCIAL STRUCTURE REFORM--At yesterday's Guangdong provincial conference on reform of the financial structure, Vice Governor Yang Deyuan said: The State Council has recently approved Guangdong to become the only province in our whole country to carry out pilot project of reform of the financial structure. Our province must become an economically developed region. This year, our province must speed up reform of the financial structure. Last year, Guangdong Province improved the system of credit funds management and opened a funds market so as to provide a large amount of funds for construction of our whole province. Our province also issued share certificates and bonds and raised funds of some 850 million yuan for the four modernizations. In his speech, Vice Governor Yang Deyuan summed up the achievements scored in the financial structure of Guangdong last year and put forward five problems of reform of the financial structure of our province this year which should be solved. [Text] [Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 13 Jan 87] /9604

SHANGHAI'S INDUSTRIAL OUTPUT VALUE--Shanghai, 8 Jan (XINHUA)--According to the report of the Shanghai Statistical Bureau, Shanghai's total industrial output value in 1986 reached 86.298 billion yuan, a 3.969 billion yuan increase over 1985. [Excerpt] [Beijing XINHUA Domestic Service in Chinese 1211 GMT 8 Jan 87] /9604

GUIZHOU INDUSTRIAL PERFORMANCE--Guizhou's total industrial output value last year rose by 5.8 percent over 1985, despite shortages of electric power, raw materials, and capital. Output rose in each quarter of the year. A steady improvement was recorded in product quality. Output value of light industry rose from 39 percent of the total in 1985 to 41 percent. [Summary] [Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 15 Jan 87] /9604

SHAANXI REPORTS 1986 SUCCESSES--According to the provincial statistics bureau, last year the province's total social output value was estimated at 37.3 billion yuan, an increase of 7.4 percent over 1985; national income was 15.8 billion yuan, a rise of 7 percent; gross domestic product was 19.2 billion yuan, a rise of 8 percent; and total output value of township and town enterprises was 6.5 billion yuan, a rise of 32 percent. [Summary] [Xian Shaanxi Provincial Service in Mandarin 0030 GMT 20 Jan 87] /9604

GANSU ECONOMIZES ON ENERGY—In 1986, Gansu Province scored relatively good achievements in economizing on energy. The amount of the province's energy consumed for the industrial output value of 100 million yuan dropped from 106,000 tons of standard coal in 1985 to 101,000 tons in 1986, and the province saved standard coal, totaling 688,500 tons.

[Summary] [Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 15 Jan 87] /9604

GUANGDONG TOPS IN INDUSTRIAL TAX, PROFITS—Guangzhou, 14 December (XINHUA)—Southern China's Guangdong Province has seen a rapid development in its industrial production in the fourth quarter of 1986, according to a provincial official in charge of industry. The total industrial output value was 4.36 billion yuan for October and 4.59 for November—18.8 percent and 22.2 percent increases respectively over last year. Yet, in the first three quarters, the value only saw a 10 percent increase over the first nine months last year, he said. The value from January to November was 46.26 billion yuan, a 12.1 percent increase over that of last year, he said. "We took the first place in the whole country in handing in taxes and profits from industry so far this year," he said. Output of the main industrial products, including television sets, tape recorders, electric fans, chemical fertilizer, farm chemicals, walking tractors, pig iron, rolled steel, ferrous alloy, washing machines, plastic products, beer and sugar, all increased dramatically compared with last year. [Text] [Beijing XINHUA in English 0131 GMT 14 Dec 86 OW] /12858

CSO: 4020/99

FOREIGN TRADE, INVESTMENT

1,200 FOREIGN-FUNDED BUSINESSES APPROVED IN 1986

OW130914 Beijing XINHUA in English 0642 GMT 13 Jan 87

[Text] Beijing, January 13 (XINHUA)—Chinese authorities approved 1,200 foreign-funded businesses last year, according to today's overseas edition of the PEOPLE'S DAILY, China's leading newspaper.

The paper quoted Zhang Haoruo, vice-minister of foreign economic relations and trade, as saying that this brought the total number of Sino-foreign joint ventures, co-management businesses and solely foreign-owned enterprises to 7,500.

The 1,200 businesses approved last year, Zhang said, brought into China hard currency amounting to 1.5 billion U.S. dollars—roughly the same amount of foreign exchange as in 1985.

He said the authorities in various parts of China have published supplementary foreign investment regulations after the State Council, China's highest governing body, issued the provisions for the encouragement of foreign investment last October.

"As a result, foreign firms are now investing more in China," he said.

The vice-minister pledged continued government efforts to improve the investment environment primarily by formulating more laws and regulations.

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CSO: 4020/91

FOREIGN TRADE, INVESTMENT

ELECTRONICS INDUSTRY MINISTER ON EXPORT INCREASE

OW131712 Beijing XINHUA in English 1433 GMT 13 Jan 87

[Text] Beijing, January 13 (XINHUA)--China will export more electronic goods, the minister of the electronics industry said here today.

"This is a long-term strategy for developing China's electronics industry," Li Tieying stated.

Speaking at the opening session of a national conference on the electronics industry here this afternoon, the minister called for concerted efforts to be made by the industry's planning, scientific research and production departments to boost exports.

"The sector will choose more enterprises to produce export goods this year, and the four special economic zones and the open coastal cities will become production bases for exporting China's electronic products," he said.

"China will combine trade with the import of technology and cooperative production," the minister said. "At the same time, we are preparing to establish a permanent partnership with some foreign companies which have wide sales networks and the ability to develop new technology."

"We also plan to set up transnational corporations or invite overseas firms to be our agents," he added.

Statistics show that the export volume of China's electronic products was valued at 350 million U.S. dollars in 1986, a rise of 52 percent over the previous year.

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CSO: 4020/91

FOREIGN TRADE, INVESTMENT

RONG YIREN DESCRIBES CITIC PROGRESS

OW200908 Beijing XINHUA in English 0753 GMT 20 Jan 87

[Text] Beijing, January 20 (XINHUA)--The China International Trust and Investment Corporation (CITIC) is one of China's first economic organization to engage in foreign businesses and have played a big role in promoting China's economic cooperation with foreign firms and attracting foreign capital.

Reviewing the progress of the corporation before the traditional Chinese new year, its president, Rong Yiren, modestly described the corporation which began operational in 1979 as having done some solid work to the benefit of the state and people.

He told reporters that the corporation had become a partner in 54 Sino-foreign joint-ventures by the end of 1986, including three umbrella companies and 12 in Hong Kong and Macao and foreign countries. Of these, 32 are already operational and most are being satisfactorily managed. The China Tianjin Otis Elevator Company reported to have some surplus in its foreign exchange payments.

Domestically, the corporation helped form 104 joint ventures and independently operates eight, Rong said.

CITIC, the largest corporation of its kind engaged in foreign business in China, has contracted and cooperated with over 70 noted foreign financial firms in order to open more channels to raise funds, Rong said.

The corporation has since 1982 issued bonds worth 600 million U.S. dollars in foreign countries, and last year alone, issued bonds worth 400 million Hongkong dollars (52 million U.S. dollars) at an interest rate of 7.8 percent.

Rong said: "The corporation purchased 95 percent of the shares in the Hong Kong Ka Wah Bank Ltd. last year, which has since been improving and showing an increased deposit business."

Aside from its own leasing business, the corporation has set up two other leasing companies in cooperation with a domestic company and a Japanese firm. At the end of 1986, the volume of the leasing businesses totalled 98 million U.S. dollars, which has greatly helped local enterprises in need of funds for renovation, Rong said.

The corporation is also engaged in the real estate business. In addition to its 29-story headquarters, where many foreign firms have housed their local offices, the corporation has invested in constructing a 50-story building and many other hotels and office buildings, Rong said.

"The corporation is active in offering an information service, and we now have a group of well-trained, open-minded and efficient personnel," the president said.

These have been the golden years for me to contribute my part to the country's modernization, said Rong Yiren in his seventies. "I feel happy for being able to contribute my bit," he added.

The ambitious president said that his corporation will try to raise more funds for key state projects and become a center of business for production, technology, finance, trade and the service industry.

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CSO: 4020/91

FOREIGN TRADE, INVESTMENT

CMC INCREASES 1986 IMPORT, EXPORT VOLUME

OW071321 Beijing XINHUA in English 1245 GMT 7 Jan 87

[Text] Beijing, January 7 (XINHUA)--China National Machinery Import and Export Corporation (CMC) reported its volume of import and export at 3.7 billion U.S. dollars in 1986, an increase of 23 percent over 1985.

Of the figure, exports increased 33 percent.

By taking advantage of exchange rate changes in some countries, CMC spared no efforts to expand commodity-providing sources and help manufacturing firms produce marketable products.

CMC signed contracts last year on exportation of 11 cargo ships, each with capacity of more than 10,000 tons, according to a CMC official.

In addition, it increased the export of heavy equipment, mining machinery and complete sets of automation equipment as well as deep-processed products.

Now its major markets have been expanded from southeast Asian countries to the Latin-American region and European countries.

CMC also imported machinery and equipment for the state major projects last year. For instance, it imported 100 sets of diesel locomotives from the United States and the same number of electric locomotives from France.

The corporation now has established trade relations with more than 150 countries and regions, and started joint ventures in the United States, France, Japan and Hong Kong region.

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CSO: 4020/91

FOREIGN TRADE, INVESTMENT

1986 SILK EXPORTS REGISTER RECORD HIGH

OW101812 Beijing XINHUA in English 1526 GMT 10 Jan 87

[Text] Beijing, January 10 (XINHUA)—China's 1986 silk exports registered a record 1,130 million U.S. dollars, an increase of about 18.4 percent over 1985, an official from the silk corporation said here today.

Deputy general manager of China National Silk Import and Export Corporation Huang Jianmo attributed the big increase to the change in the composition of export commodities.

He said, the proportion of raw silk export reduced while that of garments and other finished products increased markedly.

Manufacturing firms produced more quality products and high-grade clothing as they had intensified technical transformation since the beginning of last year. Moreover, they delivered commodities promptly and improved services, thus enhancing the competitiveness of silk products on the world market.

Huang said, "Efforts will be made to expand the export of quality silks, garments, fashions and new silk products."

In addition, the management of silk exports will be further improved this year.

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CSO: 4020/91

FOREIGN TRADE, INVESTMENT

OPEN DOOR POLICY BENEFITS PRIVATE BUSINESSMAN

OW111337 Beijing XINHUA in English 1032 GMT 11 Jan 87

["News Feature: Twists and Turns of a Private Businessman"--XINHUA headline]

[Text] Dalian, January 11 (XINHUA)—A demobilized soldier who started a private photography service with an inexpensive camera in 1984, finally got his wish to open a joint venture after top party leaders intervened on his behalf.

Jiang Wei, 35, is now running the Dalian Guangcai Industry Company, China's first joint venture set up with funds from a private businessman. Jiang's success story is a tale of many twists and turns.

The company, one of the most efficient photo service in this port city in northeast China's Liaoning Province, is equipped with advanced photo developing machines supplied by a Hong Kong firm. Customers can have their photos printed there within two hours.

Jiang also runs a subsidiary shop in the Beijing Haidian District which produces welding machines. His company has earned more than 100,000 yuan (27,000 U.S. dollars) since it was established in January 1986.

However, when he first applied to set up the joint venture with a Hong Kong businessman in 1984, he had faint hope of ever launching the company.

He started negotiations with his Hong Kong partner in June 1984, with an introduction from the Dalian branch of the China Council for the Promotion of International Trade. But his applications were turned down by almost all the relevant departments who said at the time there were no laws governing the operation of joint ventures which would allow a private businessman to deal with a company from outside the mainland.

When all seemed hopeless, top communist party leaders cut the red tape run around and gave Jiang the green light when they learned his case in late 1984. The local authorities issued Jiang a business license that year.

"Without the open policy of the government, I would have achieved nothing," Jiang said, looking back of his career.

When he was demobilized from the army in late 1981, Jiang Wei waited for almost four months for a job in the city's cultural bureau, which was

overstaffed at that time. Impatient to get to work he shook off the idea of entering the state-owned unit and set up a small photo service stall outside the Dalian zoo, with a camera he bought from his younger sister for 400 yuan (108 U.S. dollars).

He could be seen standing outside the zoo, with his camera hanging over his neck, braving the scorching sun of summer and the piercing wind of winter.

Jiang also provided door-to-door service for bed-ridden patients, little kids and the handicapped at a reduced fee.

Jiang's income swelled with his increasing reputation. He once earned more than 2,000 yuan (540 U.S. dollars) in a month, about 20 times more than the average wage of local residents.

However, his good fortune didn't last long. He was eventually driven away from the zoo by an environmental control department who said his stall was hurting the natural beauty of the zoo area.

In despair, he moved his stall to a side street. His business became sluggish and his monthly income dropped drastically to less than 300 yuan (81 U.S. dollars).

This sour turn of events was accompanied by a setback in his love life. He had fallen in love with a Japanese college student but the girl failed to appear at the Shanghai airport after they had made arrangements to get married. She wrote to him later saying her parents opposed their marriage because they believed people running private business in China were not decent.

"For me, my career is first, marriage second. I am too busy to think about my love affairs," he told a reporter, adding with a grin that "I would certainly jump at the opportunity if I come across an ideal marriage partner."

With only an office for a home, he kept on the move all-year round. He travelled across the country talking about his business and being invited to give lectures at different work units last year.

Last month his lecture on how he benefited from China's open policy kindled great interest among a group of foreign students studying at the Dalian Foreign Language Institute.

"A young person with an ideal must never idle away his life. I work to achieve more in my career and to enrich my life," he said.

Jiang's company now has 13 employees, including his parents, who receive wages of nearly 100 yuan (27 U.S. dollars) a month, along with their daily free lunch and dinner. The company also pays their medical expenses and puts money into a retirement plan.

Some of his employees are physically handicapped people who had difficulty finding a job.

The welding shop in Beijing had been a welfare factory with 20 disabled workers, that went bankrupt and was bought by Jiang last year. Under the leadership of five technical and managerial persons Jiang Wei hired from Xian and other places, the factory's production and the workers' income have improved.

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CSO: 4020/91

FOREIGN TRADE, INVESTMENT

BELJING FOREIGN INVESTMENT ATMOSPHERE IMPROVES

HK160823 Beijing CHINA DAILY in English 16 Jan 87 p 2

[Text] The environment for foreign investment in Beijing improved greatly last year, thanks to the 22 provisions issued by the State Council and the 30 promulgated by the municipal government in November, a municipal official said yesterday.

Speaking at a meeting to award certificates to 12 export enterprises and technologically advanced enterprises in Beijing yesterday, Zhang Ming, director of the Beijing Commission of Foreign Economic Relations and Trade, said that the total value of foreign investment in the city last year topped \$420 million, 9 percent more than that in 1985, until now considered the best year the city has had in attracting foreign investment.

Investment in industrial production soared by 66 percent in 1986, Zhang said, showing that investment in Beijing has been turning from tourism to industry.

With a total of 190 enterprises with foreign investment--106 with funds from Hong Kong, 42 from Japan and 26 from the United States--Beijing now has a contract investment of \$2.2 billion. Of the 190 enterprises, 36 have been given certificates as export enterprises and technologically advanced enterprises. The first group of 24 got their certificates in November; the rest received them yesterday.

Beijing Fengtai District Hua Xiang Industry Co. Ltd., one of the 12 export and technologically advanced enterprises, produces 150,000 suits annually and exports 70 percent of its products to world markets.

Another technologically advanced enterprise is the Beijing Chia Tai Feedmill Ltd., which imported advanced American production equipment that is highly automatic and computer-controlled. The enterprise will save 30,000 tons of grain a year on production of 100,000 tons of feed, the director explained.

Beijing municipal government, especially Beijing's Foreign Currency Administration, has made great efforts last year to help enterprises with foreign investment solve problems of balancing hard currencies, Zhang said.

To improve the investment environment in the city further and attract even more foreign investment, Vice-mayor Zhang Jianmin told representatives at the meeting yesterday, the municipal government will provide investors with the most preferential policies in the fields of land-use fees, labourers' salaries and local taxes.

The government encourages bureaus of finance, taxation, housing, supplies, electricity, telecommunications, labour and personnel affairs, as well as banks and the customs to help enterprises solve their problems and provide them with conveniences. The government will give its judgment on their work, the vice-mayor said.

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CSO: 4020/103

FOREIGN TRADE, INVESTMENT

ANHUI PROVINCE'S FOREIGN TRADE GOES UP IN 1986

OW191126 Beijing XINHUA in English 1057 GMT 19 Jan 87

[Text] Hefei, 19 Jan (XINHUA)—East China's Anhui Province increased foreign trade last year by 13.4 percent to 488 million U.S. dollars over 1985.

Apart from those goods sold through other export companies, the province solely exported goods valued at 367 million U.S. dollars, exceeding the year's target by 20.6 percent.

Exports of 16 different products exceeded annual export targets, and increased by big margins over 1985, with tea increasing 185.2 percent, coal 244 percent and machinery 269.4 percent.

"The province will abide firmly by policies encouraging foreign investment and welcomes foreigners to start businesses here," an official of the provincial department of foreign economic relations and trade said.

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CSO: 4020/103

FOREIGN TRADE, INVESTMENT

FUJIAN FINDS OVERSEAS LABOR PROFITABLE

OW150740 Beijing XINHUA in English 0650 GMT 15 Jan 87

[Text] Fuzhou, 15 Jan (XINHUA)—An official in charge of overseas labor contracts in coastal Fujian Province told XINHUA today that the province's contracts last year were worth 43 million U.S. dollars, almost doubling the total value of the previous three years.

Much of the work has been done by the Fujian International and Technological Cooperation Company, which was set up three years ago, the official said.

The company started off by edging into the Hong Kong and Macao market where it has gained some experience and credit.

"Now with a C degree license granted by the Hong Kong authorities, the company can take on projects of any scale in Hong Kong," the official said, adding that the company won two tenders in Hong Kong last year.

The company at the moment has seven contracts in Macao, one of which is the construction of the highrise "international center," involving an investment of 130 million Hong Kong dollars, the official said.

Besides, the province has people working in two African countries--Algeria and Mozambique.

"We are active in 11 countries and regions in southeast Asia, South America, the Middle East, the South Pacific region and southern Africa," the official said.

In previous years, the province only exported workers, but now it also exports technology. Over 3,000 people from the province are working in various industries in other countries, he said.

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CSO: 4020/103

FOREIGN TRADE, INVESTMENT

SHANGHAI APPROVES MORE FOREIGN INVESTMENT

OW180422 Beijing XINHUA in English 0144 GMT 18 Jan 87

[Text] Shanghai, 18 Jan (XINHUA)—Shanghai, China's largest economic center, approved 62 foreign investment projects and used a total of 450 million U.S. dollars in 1986, according to a latest statistics release here.

About 61 percent of the projects involved advanced technology and were export-oriented as against 40 percent of the total similar projects in 1985, according to the Shanghai Commission of Foreign Economic Relations and Trade.

One example is the Delta Electric Circuit Company, a Sino-U.S. joint venture, which produces advanced multi-layer printed circuit boards and precise double-layer circuit boards for both the domestic and American markets.

It will turn out 30,000 to 50,000 square meters of such boards a year and the thickest will have 14 layers and they are all designed to be up to the international standards, the commission official told the reporter.

Up to now, Shanghai has 222 such Sino-foreign enterprises with a direct foreign investment of more than 1.9 billion U.S. dollars, and they include the Shanghai Volkswagen Corporation, Shanghai Yaohua Pilkington Glass Company Ltd, Shanghai-ek Chor Motorcycle Company Ltd, and Shanghai-Beil Telephone Equipment Manufacturing Co. Ltd.

Shanghai made a breakthrough in using foreign loans last year. The city issued its first bonds in Tokyo last year, totalling 25 billion Japanese yen and more than 90 percent of the bond funds was used to import advanced technology and equipment for textile, chemical, pharmaceutical and light industries.

Shanghai was approved to raise, borrow and repay funds internationally last September for its urban infrastructure construction, improvement of the environment for foreign investment, updating of agricultural techniques and development of new economic zones.

Starting this year, it will use a loan of about 100 million U.S. dollars provided by the World Bank to upgrade its machine tool industry.

Shanghai has also paid attention to inviting experienced people from overseas to help improve management and technical performance of its enterprises.

The exchange of factory directors between the Shanghai Electric Motor Plant and the Siemens Company of Federal Germany has helped improve the management of the Shanghai plant. Shanghai has invited more than 100 foreign experts in recent years.

To ensure a better climate for foreign investment, Shanghai has provided more preferential terms for foreign business people and has set up a leading group to guide foreign investment work, a foreign exchange regulating center and a materials service center for Sino-foreign joint ventures.

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CSO: 4020/103

FOREIGN TRADE, INVESTMENT

XINJIANG PROMOTES FOREIGN ECONOMIC COOPERATION

OW191518 Beijing XINHUA in English 1440 GMT 19 Jan 87

[Text] Urumqi, 19 Jan (XINHUA)--The Xinjiang Uygur Autonomous Region has opened an international economic and technological cooperation company and an international trust and investment corporation.

"With the approval of relevant state council departments, the company and corporation, based in Urumqi, will strive to strengthen the region's economic and financial cooperation with foreign countries," a local official said today.

Xinjiang, which makes up one-sixth of China's land mass, drew nearly 169 million U.S. dollars of foreign investment last year, exceeding the total from 1981-1985.

Previously, three prefectures in southern Xinjiang jointly formed a silk import-export corporation, and the region has also approved 19 contracts for technological imports worth 20 million U.S. dollars.

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CSO: 4020/103

FOREIGN TRADE, INVESTMENT

BRIEFS

TEXTILE EXPORTS EXPANSION--Beijing, January 10 (XINHUA)--China's textile industry will expand exports while striving to achieve a balanced supply and demand on the home market this year, according to a communist party leader. Today's ECONOMIC DAILY quoted Hao Jianxiu, member of the secretariat of the Communist Party Central Committee, as saying that the textile industry will give priority to self-development by its own forces. In the past three decades, Hao, once a textile worker and former minister of the textile industry, said the industry has made great contributions to China's economic development and has basically met the people's need for clothing and fashions. By the end of last year, it had generated more than 220 billion yuan in profits and taxes. In 1986, it earned 6.5 billion U.S. dollars in foreign exchange through exports, accounting for 25 percent of China's total exports. Textile products are China's largest single export item, Hao said. [Text] [Beijing XINHUA in English 0844 GMT 10 Jan 87] /8309

TECHNOLOGICAL IMPORTS, EXPORTS--Beijing, January 19 (XINHUA)--While continuing to import foreign technology, China is now beginning to export its own, PEOPLE'S DAILY reports today. Last year it signed contracts to import technological items involving 4.45 billion U.S. dollars, while pulling in 20 million U.S. dollars through technological exports, the paper said. Technological imports focused on large thermal and nuclear power plants, and exports on patent technology and knowhow of pharmaceuticals, electronics, chemicals, metallurgy, and computer software. China has completed more than 20,000 scientific research projects in recent years, the paper said, adding that some of the results have attracted international attention. [Text] [Beijing XINHUA in English 0247 GMT 19 Jan 87] /8309

FOREIGN INVESTMENT INCENTIVES--Beijing, January 10 (XINHUA)--Three of a dozen regulations being drafted to supplement the State Council's provisions for the encouragement of foreign investment will be published soon, the PEOPLE'S DAILY reported today. Quoting state councilor Gu Mu, the overseas edition of the paper said the rest of the regulations will be made known in one or two months. Gu disclosed this when he talked with eight investors from Hong Kong and Singapore in northeast China's Heilongjiang Province. Gu once again urged local authorities to strictly implement the 22-article regulation of the State Council published last October to guard foreign investors' interests in China. [Text] [Beijing XINHUA in English 1121 GMT 10 Jan 87] /8309

XINJIANG FOREIGN TRADE UP--Urumqi, 15 Jan (XINHUA)--The Xinjiang Uygur Autonomous Region earned a record 203 million U.S. dollars through exports, which was up 20 percent over 1985. An official of the regional bureau of foreign economic relations and trade said today that the exports included cotton, cotton yarn and cloth, goat hair, woollen sweaters and cloth, knitwear, garments, sheep casings, hami melons, grapes, vermiculite and ferrosilicon. The region has established trade relations with 70 countries and regions, and is boosting border trade with the Soviet Union and Pakistan, the official said. It concluded import and export contracts involving 6.6 million Swiss francs with a visiting Soviet border trade delegation last October. Last December saw the region hold an export commodity exhibition in the United Arab Emirates, at which 2,000 types of textile, silks, light industrial products, food and pharmaceuticals were displayed. [Text] [Beijing XINHUA in English 0817 GMT 15 Jan 87 OW] /7358

BEIJING EXPORT ACHIEVEMENTS--In 1986 Beijing Municipality earned more foreign exchanges by exporting its industrial, farm, and sideline products. On 20 December 1986, the municipal realized \$705 million through exports and broke its former record of around \$600 million. The total value of its industrial export commodities reached 1.85 billion yuan, a 40-million yuan increase over the 1985 figure. [Excerpts] [Beijing BEIJING RIBAO in Chinese 28 Dec 86 p 1 SK] /12232

SICHUAN'S CHONGQING BOOSTS EXPORTS--The amount of foreign exchange earned by Chongqing City, Sichuan Province, from exports in 1986 reached \$150 million, a record. In September last year, for the first time, Chongqing City organized and sent to West Germany a delegation to hold talks on trade, and the volume of business amounted to some \$8 million. [Summary] [Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 14 Jan 87 HK] /12232

GUIZHOU'S RECORD EXPORTS--Guizhou set a new record in foreign trade and exports last year. Total foreign exchange earnings were \$63 million, overfulfilling the plan by 24 percent, and showing an increase of 62 percent over 1985. [Summary] [Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 15 Jan 87 HK] /12232

MACHINERY EXPORTS UP--Beijing, 7 Jan (XINHUA)--China exported 2.2 billion U.S. dollars worth of machinery and electrical apparatus last year, up 30 percent over 1985, according to a government official here today. The year was also marked by the beginning of the country to export high-tech products, including complete sets of equipment, computerized machines, precision and program controlled machines and aircraft, the official said. In contrast, the country used to export mainly machine parts and simple products, he added. [Text] [Beijing XINHUA in English 1518 GMT 7 Jan 87 OW] /7358

CSO: 4020/103

ECONOMIC ZONES

ZHEJIANG SEEKS HONG KONG BUSINESS EXPERTISE

OW090127 Hangzhou ZHEJIANG RIBAO in Chinese 28 Nov 86 p 1

[Dispatch by Weng Damao]

[Text] Ningbo, 27 November--This morning at the Overseas Hotel in Ningbo, Governor Xue Ju met with and had a cordial conversation with some Ningbo-born public figures from Hong Kong business circles who had come for the opening of Ningbo University.

Governor Xue Je said: The people of Ningbo are intelligent and industrious. I hope you will kindly give your generous suggestions on how to develop Ningbo's externally oriented economy and bring into full play its favorable conditions under the new circumstances marked by reform and the opening to the outside world. He said: The people of Ningbo are noted for their business expertise. Perhaps this refers to you people of the older generation. For reasons known to everyone, young people do not have business knowledge. They need to learn and be tempered, and this requires your assistance.

Present at the meeting were Bao Congxing, Liu Haoqing, Wang Jianwei, Zhao Anzhong, and Shao Yangshong, who were all born in Ningbo and who are now prominent Hong Kong business personages. They expressed their warm love for their hometown and their sincere desire to support the construction programs of the motherland and their native place. In the meantime, they frankly pointed [to] the problems of investing in Ningbo, such as relatively backward local transportation and infrastructural facilities and quite low work efficiency. On this, Governor Xue Je said: We began to open to the outside world only recently. Therefore, many problems still exist. In the future, he said, a joint service company formed by all departments concerned might be established for the purpose of improving work efficiency.

Ye Xinhua, deputy secretary of the Ningbo City CPC Committee, and Chen Wenxian and Zhu Ermei, vice mayors of Ningbo, were present at the meeting.

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CSO: 4006/301

ECONOMIC ZONES

ECONOMIC CONSTRUCTION DEVELOPS WELL IN ZHUHAI

HK220147 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 20 Jan 87

[Excerpts] The Zhuhai City Party Committee has straightened out the guiding ideology for economic construction and developed export-oriented industrial and agricultural production, resulting in a healthy development of economic construction in the special economic zone.

Due to a confusion in guiding ideology during a period of time, some comrades were keen on importing foreign goods and making profits by trade, leading to overstocking of foreign goods and difficulties in fund circulation. To solve this problem, the Zhuhai City Party Committee organized leading cadres at all levels to re-study the principles and policies set by the CPC Central Committee on running special economic zones as an experiment and mobilized all party-member cadres to shift the focus of their work onto developing export-oriented industrial and agricultural production. They have summed up and promoted the typical experiences of four export-oriented enterprises including (Wanzai's) (Hausheng) cassette tape plant, and formulated preferential measures on encouraging foreign businessmen to make investment and on running export-oriented enterprises. In the meantime, they strengthened macroeconomic control; largely reduced the capital construction size; stopped the construction of some hotels, tourism facilities, and office buildings and concentrated their human, material and financial resources on priority industrial and agricultural projects whose technology and equipment are advanced, whose products are marketable and which can earn more foreign exchange.

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CSO: 4006/301

ECONOMIC ZONES

DEVELOPMENT OF SHENZHEN EXPORT TRADE REPORTED

HK150047 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0227 GMT 9 Jan 87

[Report by correspondent Zhan Moujun (6124 6180 0193): "Three Great Changes Shown in Shenzhen's Export Trade"]

[Text] Shenzhen, 9 January (Zhongguo Xinwen She)--Shenzhen City's export trade last year exceeded 600 million U.S. dollars, surpassing that in the preceding year by 20 percent, your correspondent learned from a relevant department of the Shenzhen City Government. Three changes have appeared in the city's export trade:

First, the proportion of industrial exports has increased while that of agricultural exports decreased. The value of industrial exports last year in the whole city exceeded 300 million U.S. dollars, surpassing that of the preceding year by more than 40 percent and accounting for 50 percent of the total exports. The value of agricultural exports exceeded 120 million U.S. dollars, dropping by more than 10 percent; its proportion in the total exports dropped to about 20 percent from more than 30 percent in the preceding year. Among the industrial goods which registered a considerable increase in export were textiles, light industrial products, foodstuffs, beverages, handicraft articles, and garments.

Second, the volume of Shenzhen products exported to countries and regions other than Hong Kong has increased gradually. Last year, the total value of Shenzhen goods exported to 16 countries, including the United States, Japan, Britain, Federal Germany, Belgium, France, Canada, Switzerland, Sweden, New Zealand, Peru, India, and the Southeast Asian countries (transit goods through Hong Kong not included) increased by 3 times as compared with that in the preceding year.

Third, local products have gradually become the bulk of the export commodities. Last year, local products accounted for almost 70 percent of the total value of export goods, topping the preceding year by more than 10 percent. Over the past 2 years, Shenzhen has built a batch of key export-oriented enterprises producing more than 20 varieties of exported light industrial and textile goods in large quantities.

Shenzhen has broken the practice of monopoly in export trade and established in its place a competitive system among various trades and enterprises. Up to the present, more than 100 foreign trade enterprises in Shenzhen have obtained import

and export permits. Some 30 of these enterprises do export trade exceeding 2 million U.S. dollars a year each. In addition, Shenzhen has terminated the practice of letting foreign trade enterprises deal only with import and export trade and, instead, established a system in which the enterprises mainly deal with foreign trade while doing various other trades and function as independent accounting units taking responsibility for their own profits and losses. This is a cause of the development of Shenzhen's foreign trade.

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CSO: 4006/301

INDUSTRY

GERMAN DIRECTOR OF WUHAN PLANT TO LEAVE SOON

OWO41248 Beijing XINHUA in English 1211 GMT 4 Dec 86

["Wuhan Diesel Engine Plant Second Home—Gerich"—XINHUA headline]

[Text] Wuhan, 4 Dec (XINHUA)—The first foreign expert to take full charge of a Chinese factory and save it from near collapse will soon leave for his home in Germany.

"My experiences here will live in my memory for the rest of my life," said 67 year-old Werner Gerich, a retired engineer from Federal Germany.

He served as director of Wuhan diesel engine plant in Wuhan, capital of Hubei Province between 1984 and earlier this year, coming to China under an agreement between Wuhan and the Federal German City of Duisberg.

In the past two years, Gerich, by exercising all the powers of a Chinese factory director, restructured the plant's management and improved production and efficiency. The engine plant recently turned a profit and the quality of its products has improved.

Gerich accomplished this by forcing those complacent workers and managers of the plant to work harder and he upgraded the poor quality control system.

Gerich said the reason he came to the plant, a government-owned factory with 2,000 employees, was to help provide better engines for the Chinese peasants.

Through his efforts, the service time of the plant's engines now run twice as long. Some engines have been exported.

Vice Premier Yau Yilin said Gerich's stress on product quality and his managerial techniques are not only suitable to Wuhan diesel engine plant, but also applicable to all enterprises in China.

Werner Gerich was honored with titles of honorary citizen of Wuhan City and honorary director of the plant for his contributions to the city.

When he first arrived, Gerich had planned to stay in China for only four months. "I extended my work time to two years," said Gerich, adding that

"The climate in China today is attractive to outsiders. I am happy that part of my life was linked with China's reform."

Gerich, who was born into a merchant's family and lived just 30 kilometers from the Rhine, said he first learned about China when he was studying in a primary school.

"At that time, I only knew China as a remote country. I never dreamed I would some day live and work here," he said.

"If what I have done here can win its part in China's great experiment of modernization, I will be very happy," he said.

"During my days with Chinese colleagues here," Gerich said, "there indeed happened something that made us unhappy. But the workers of the Wuhan diesel engine plant and I have successfully completed our journey."

"Now that I am going home, I feel sad to leave the plant and the workers. Wuhan diesel engine plant is my second home," Werner Gerich said.

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CSO: 4020/97

INDUSTRY

FOREIGN EXPERTS HELP PETROCHEMICAL INDUSTRY

OW081227 Beijing XINHUA in English 1115 GMT 8 Jan 87

[Text] Beijing, 8 Jan (XINHUA)—While sending people to study overseas, the China Petrochemical general corporation has invited about 2,000 foreign experts to give technical lectures over the past two years.

This is part of the corporation's efforts to absorb advanced foreign technology, a corporation official said here today.

The Yanshan Petrochemical Company in the suburbs of Beijing imported an 80,000-ton polyacrylic installation in 1973. When it went into operation in 1976, the installation could not reach its design capacity, but the company succeeded in turning out 88,000 tons of polyacrylates in 1985 after inviting five Japanese experts to give technical seminars.

The corporation not only invites foreign experts to give technical guidance, but also pursues cooperation with foreign experts to develop new technology, the official said.

Examples are the Beijing Design Institute and the Petrochemical Research Institute, which are cooperating with experts of a foreign software company on a simulator program for cracking technology.

"China's petrochemical techniques will reach the level of advanced foreign countries if the software projects succeeds," the official said.

According to the official, the corporation has established scientific and technical cooperative ties and undertaken more than 20 projects with 15 companies in Canada, France, Italy, Japan and the United States, and set up 16 Sino-foreign joint venture enterprises since 1984. It has also cooperated with foreign companies in design and purchase of equipment and raw materials.

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CSO: 4020/97

INDUSTRY

FUNDS COLLECTED FOR ELECTRICITY INDUSTRY

OW122100 Beijing XINHUA in English 0851 GMT 12 Jan 87

[Text] Beijing, 12 Jan (XINHUA)--China will collect nine billion yuan (2.4 billion U.S. dollars) in various ways to quicken the development of its electricity industry during the Seventh 5-Year Plan (1986-1990).

The money will be used to set up generating sets with a capacity of five million kw, Shi Dazhen, vice minister of water resources and electric power, told a national meeting which opened here today.

He said that his ministry has been making efforts to collect funds in many ways to quicken the development of the electricity industry.

He pointed out that in addition to replying on funds from the state and bank loans, electricity construction should also rely on issuing bonds and pooling funds from localities, departments and enterprises or directly attracting foreign funds.

He added that the collection of funds may necessitate a situation in which many kinds of ownership exist side by side. So the ministry will consider appropriate policies and methods.

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CSO: 4020/97

INDUSTRY

FAST DEVELOPMENT OF ELECTRONICS INDUSTRY PLANNED

OW131430 Beijing XINHUA in English 1324 GMT 13 Jan 87

[Text] Beijing, 13 Jan (XINHUA)—The output of China's electronics industry is planned to grow about 13 percent this year as compared with 1986, Minister of the Electronics Industry Li Tieying said here today.

According to the proposed target, the output value for the whole year will reach 34 to 35 billion yuan (9.2 to 9.5 billion U.S. dollars).

"Priority will be given to the development of color TV tubes, videos, digital switchboard equipment, computers and large-scale integrated circuits," he told a national meeting on the electronics industry which opened here this afternoon.

He said the sector will continue to provide both the domestic and international markets with more suitable consumer goods.

The minister said that greater efforts will be made this year to invigorate existing enterprises by adopting production responsibility systems so as to improve their economic performance.

"Measures will also be taken this year to raise more funds for the development of production," he said. "Better conditions will be created for setting up more Sino-foreign joint ventures or businesses with sole foreign investment," he added.

"The establishment of enterprise groups for large industrial production is needed," the minister suggested. He also urged the research units to cooperate with enterprises and put scientific findings into production.

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CSO: 4020/97

INDUSTRY

LIGHT INDUSTRY PRODUCTION RISES IN 1986

OWO91258 Beijing XINHUA in English 1243 GMT 9 Jan 87

[Year-ender: "China's Light Industry Rose to the Challenge in 1986"—XINHUA headline]

[Text] Beijing, 9 Jan (XINHUA)—China's 1986 exports of light industrial products are expected to total 5 billion U.S. dollars, according to the latest statistics issued by the Chinese Ministry of Light Industry.

This export value is the highest of the past three decades, and the 1986 output value, fulfilled by enterprises working under the ministry, is expected to top 170 billion yuan (46 billion U.S. dollars), an 11 percent increase over 1985.

Compared with 1985, the output of refrigerators increased 52 percent, bicycles 8.3 percent and washing machines 5.4 percent.

In 1986, more than 6,000 new varieties of light industrial products were developed.

Economic analysts attribute these achievements to the new economic concept of a commodity economy and corresponding managerial methods adopted by the ministry.

They said: "In China, the most encouraging change an economic sector can undertake is to get rid of the old style 'product economy,' and start to study and adopt new methods in line with a socialist commodity economy."

China, for the past three decades, has pursued a planned economic system, what experts call a "products economy," under which the state set production orders, provided raw materials and monopolized sales through various administrative departments. As a result, enterprises were concerned with only fulfilling the state plan, while paying no attention to the market.

The on-going economic reform has changed the situation, and now enterprises take care of all business aspects, from raw material supplies to product sales, as an independent economic entity. Gone are the days when enterprises completely relied on the state.

Statistics show about 90 percent of the enterprises under the ministry have to buy raw materials on the open market and they now control 97 percent of the product sales.

This change has encouraged and stimulated production in most enterprises, but also it poses a challenge.

Wang Wenzhe, a vice minister of light industry, urged all managers to "arrange production in line with the market demand instead of according to a state plan as they did in the past."

Many consumer surveys have been done, and measures adopted on the basis of the results to systematically promote production and consumption.

"With the market in mind," Minister of Light Industry Yang Bo announced earlier last year, "production quality must be guaranteed, even at the cost of quantity."

The ministry has taken six steps in this direction, which include encouraging enterprises to organize production according to international quality standards, and to make 40 percent of bonuses a "quality allowance." Now the ministry has set up 84 quality control centers across the country.

The new concept of a commodity economy has also fueled the light industry enterprises to break more old patterns by establishing inter-regional corporations. A recent survey in 14 provinces and cities found 25 percent of the economic associations in these regions belonged to the light industry.

"Problems still exist," economists say, "and the most serious is that changes in production always lag behind the market, and enterprises are not yet quick enough in making market judgments."

Citing the garment making industry as an example, economists point out, "So many factories are competing to produce Western-style suits, it seemed they believed the shopping spree which started in early 1985 would last forever." "Now they find stacks of the suit collecting dust in the stores, while consumers complain they can find no satisfactory garments," they warned.

Some economists state this problem is an inevitable period in the transition from a "product economy" to a commodity economy, and they say the industry will meet more challenges in its further development.

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CSO: 4020/97

INDUSTRY

TEXTILE INDUSTRY ORGANIZATION GROUP FORMED

OW121858 Beijing XINHUA in English 1630 GMT 12 Jan 87

[Text] Beijing, 12 Jan (XINHUA)--China has set up a leading group to be in charge of organizing technical forces to invigorate the country's light and textiles industry, according to the State Science and Technology Commission today.

The group is formed by experts and officials from 18 government ministries, commissions and other leading organizations.

At the first meeting of the leading group today, Son Jian, state councillor and minister in charge of the State Science and Technology Commission, called on scientists and technicians to pool their wisdom to inject new vigor into the light and textiles industry and make it their central task.

He urged colleges to work together with research institutions and undertake research projects in this field and allow research personnel to contract for or lease some enterprises so that the light and textiles industry will provide more and better goods.

The light and textiles industry has become a major sector of China's economy. Estimates show it provides 55 percent of total consumer goods sold in the country.

However, it lags behind industrially developed countries in technology and self-transformation.

Inadequate technological personnel is the most important factor holding back the development of the industry, said Zeng Xianlin, vice-minister of the State Science and Technology Commission, adding shortcomings in policies and organization are also responsible.

The new leading group will map out development programs, strategy and measures aimed at changing the out-dated mode of production and increasing variety and raise quality to make breakthroughs in the export of light industrial goods and textiles.

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CSO: 4020/97

INDUSTRY

STEEL PRODUCER TO BOOST PRODUCTION

HK120626 Beijing CHINA DAILY in English 12 Jan 87 p 1

[By staff reporter Xie Songxin]

[Text] The Anshan Iron and Steel Works in Liaoning Province, China's largest iron and steel producer, plans to make 15 million tons of steel annually by the end of the century. The national target is 80 million tons by 1995.

The Anshan works will modernize its existing plants and increase its annual production capacity to 10 million tons by the early 1990's, General Manager Li Huazhong disclosed during the six-day National Metallurgical Industry Conference in Beijing, which closed yesterday.

It will also build a new plant with a potential capacity of 5 million tons of steel a year.

The factory handled 7.1 million tons of iron, 7.48 million tons of steel and 5.18 million tons of steel products last year, said Zhang Yu, the works party secretary.

Li said the factory would be seeking foreign investment to update its production and that it had already selected the projects that would use foreign capital.

During the Seventh Five-Year Plan (1986-90), Anshan will concentrate on improving its smelting, coking and sintering techniques and speed up the construction of iron ore mines.

The factory's improvement has been listed by the state as one of the key five-year plan projects and the proposed foreign investment schemes are now with the State Council for final approval, Li said.

Meanwhile, Vice Premier Li Peng said yesterday that China would be using foreign capital to support the construction of the metallurgical industry on top of the 40 billion yuan (\$10.7 billion) state investment already earmarked for the five-year plan to increase steel output and reduce dependence on imports.

In 1985, China spent almost all the foreign exchange earned from its oil exports on importing 19.8 million tons of steel. Last year's imports were at roughly the same level.

INDUSTRY

AUTO INDUSTRY SHOWS 'SURE SIGNS OF RECOVERY'

HK090533 Beijing CHINA DAILY in English 9 Jan 87 p 1

[By staff reporter Guo Zhongshi: "Automobile Industry Heads for Recovery"]

[Text] China's auto industry is driving toward "sure signs of recovery" this year, after plunging into its first ever reduction in output last year, since the country made its first motor vehicle in 1956.

Last year auto output nationwide dropped sharply from 1985's 430,000 automobiles to some 360,000, a "low wave in production" mostly caused by the state's tightened control over the purchasing power of social groups, lack of petrol, high prices and heavy imports, Chen Zutao, president of the China National Automotive Industry Corporation, said yesterday.

Chen told reporters at a press conference that the situation was beginning to turn around at the end of last year when the state began to loose its control. Falling oil prices the world over meant that China exported less and there was more available on the domestic market.

Chinese drivers "got a little more petrol to burn" as the country's crude oil exports were reduced by some 2 million tons last year. This helped revive the "cary-buying zeal" that hit the country in early 1983, Chen said.

Meanwhile, technical transformation of 11 traditional makes of motor vehicles has lowered their energy consumption and their cost, offering new attractions to buyers, Cai Shiqing, vice president of the corporation, told CHINA DAILY yesterday.

A series of favourable policies in terms of bank loans, petrol supplies and tax exemption, adopted by the state late last year in a bid to force a planned obsolescence of old automobiles, have also brought about considerable purchases and a sharp reduction in the year-long vehicles glut, Chen said.

These meant that more than 45,000 home-manufactured automobiles and some 100,000 imported automobiles, which had been stockpiled, were almost all sold out and production this year looks as if it will fall short of market demands again, he said.

At a recent automobile trade fair, he said, more than 120,000 orders were placed on the heavyduty truck, Dongfeng 140, manufactured by the Second Auto Works which had only planned to produce some 100,000. Orders for the new generation of Jiefang CA141 trucks also far exceeded Changchun No 1 Automobile Works' production capacity so far, he added.

However, he said, China's auto industry is still plagued by problem of poor quality, the scattered locations of the industry and lack of funds and over-all plans.

To solve these problems, he said, the state is putting heavy investment into establishment of several major auto production bases in the northeast, Beijing, Shandong, Nanjing, Xian and Chongqing in a new attempt to concentrate the industry's production on special areas.

Advanced foreign technology will also be introduced to local auto works to accompany the scientific research conducted by the industry so that China's auto products can quickly break into the world market, he said.

He predicted that with the emphasis gradually turned to production of smaller vehicles such as cars and mini-buses, these will occupy 40 percent of the total production by the end of the century--as compared with the present lack of production of these smaller types.

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CSO: 4020/97

INDUSTRY

PRC AUTOMOBILE SURPLUS SELLS OUT QUICKLY

OW101020 Beijing XINHUA in English 0923 GMT 10 Jan 87

[Text] Beijing, 10 Jan (XINHUA)--Production of automobiles in China lags behind demand this year after a large surplus was reported months ago, according to a senior official of Chinese automobiles industry.

In July and August last year, the surplus reached tens of thousands of automobiles, but 80 percent of the stockpile has been sold since the fourth quarter of last year, said Chen Zhutao, president of China Automotive Industry Corporation.

"Letters on my desk are piled a foot high asking for automobiles," said Chen, "This time last year, I was busy selling the surplus."

The change is mostly due to policy adjustment, said Chen. The state has allocated for domestic consumption part of the petroleum planned for export, and this eased the serious gas shortage. The state also passed rules to ensure replacement of old cars.

The state also provided preferential loans and gas rations for replacements. This makes it easier to buy a new car rather than to repair an old car.

China has also adjusted the production structure and plans to build automobiles of heavy, medium and light tonnages at the ratio of 10, 20 and 70 percent respectively, said Chen.

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CS0: 4020/97

AGRICULTURE

FOREIGN FUNDS HELP STATE FARMS' PRODUCTION, EFFICIENCY

OW121048 Beijing XINHUA in English 0708 GMT 12 Dec 86

[Text] Beijing, 12 Dec (XINHUA)--Foreign capital has helped China's state farms raise production and economic efficiency, the CHINA DAILY reported today.

Since 1979, the farms absorbed about 365.7 million U.S. dollars, the English language paper quoted the figure given by an official of the State Land Reclamation Bureau.

The money mainly came from the World Bank, the UN Food and Agricultural Organization, the European Economic Community and individual investors from North America, Europe, Southeast Asia, Japan, Hong Kong and Macao, the official said.

It was used to launch 50 projects including those of grain, cotton, sugarcane, tea, and rubber production; and sideline industries such as processing, clothing, beer, toys, electronics and the construction of hotels, apartments and office buildings.

The projects were launched in ventures, cooperative production, compensation trade, processing from imported materials, loans, leasing and other forms.

The Heilongjiang reclamation area, which with a World Bank loan, developed 200,000 hectares of waste land for grain and soybean production. The grain and soybean output from the newly developed land now accounts for one-tenth of the area's total grain output, the paper said.

The Guangdong reclamation area used a 100 million World Bank loan to plant new rubber trees and upgrade existing rubber farms. As a result, the area's rubber production rose by one-third.

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CSO: 4020/96

AGRICULTURE

ECONOMIC COMMISSION URGES SUPPORTING AGRICULTURE

OW121105 Beijing XINHUA Domestic Service in Chinese 0904 GMT 5 Jan 87

[Text] Beijing, 5 January (XINHUA)--Spring is the time to plan for the entire year. Thus, immediately after New Year's day the State Economic Commission specifically told industrial and communications departments throughout the country that in order to stabilize and enliven the entire national economy, they should give priority to the task of supporting agricultural production and strive to satisfy the needs of the agricultural sector to carry out spring farming and win a bumper harvest for the whole year.

It has been learned that even before New Year's day leading comrades of the State Council paid a lot of attention to this year's work of supporting agricultural production. It has been decided that industry will concentrate on the following five areas in supporting agriculture during the first half of 1987:

Producing chemical fertilizer, pesticides, plastic film, agricultural machinery and tools, and other goods for agriculture use; supplying natural gas, diesel oil, electric power, anthracite, and other fuels and raw materials for chemical fertilizer production to increase its output by 1 million metric tons;

Arranging for the shipment of phosphate ores from Yunnan and Guizhou;

Importing and delivering chemical fertilizer to users, organizing the supply of agriculture-use goods, and stockpiling supplies for spring farming;

Providing pre- and post-production services to agriculture, strengthening technical guidance, providing needed information, and carrying out the shipment and processing of rural products;

Giving active support to town and village enterprises, providing them with rational plans and correct guidance, and strengthening their control in accordance with the policy to promote their steady development.

The State Economic Commission has set up a special group to coordinate the support of agriculture. It has also asked all localities and industrial and communications departments to strengthen leadership over the work of supporting agriculture. It asked them to carry out this important and pressing task and to promptly resolve all problems to avoid delaying farming and causing damage to agriculture.

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CSO: 4006/287

AGRICULTURE

JINGJI RIBAO ON MAJOR PROJECTS REDUCING FARMLAND

OW110146 Beijing XINHUA in English 0124 GMT 11 Dec 86

[Text] Beijing, 11 Dec (XINHUA)—The ECONOMIC DAILY called on construction units to be careful not to waste arable land while building major projects.

The paper says in a commentary Wednesday that China's land resources are limited and the amount of arable land averages only one-fifteenth of a hectare per person.

The past few years saw more than 333,000 hectares of land used for capital construction a year. As the population grows steadily, the problem of more people with less farmland will become acute, the paper notes.

As construction of a key project usually occupies a large amount of farmland, the paper suggests, it should be built on a mountain slope or uncultivated land in order to save on farmland.

The paper cites the No 17 Bureau of the Ministry of Railways as an example. The bureau has reclaimed 106 hectares of farmland over the past two years for the peasants while construction three railway lines.

The paper calls on construction units to learn from the bureau by saying that a considerable amount of farmland will be saved if they can follow the bureau's example.

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CSO: 4020/96

AGRICULTURE

PAPER URGES INCREASING GRAIN OUTPUT STEADILY

OW130914 Beijing XINHUA in English 0720 GMT 13 Dec 86

[Text] Beijing, 13 Dec (XINHUA)—Today's ECONOMIC DAILY calls for continued efforts to increase grain output up to 480 million tons by the end of this century.

The paper says that China's grain output this year is expected to increase by 10 million tons over last year's 378.98 million tons.

Grain output in the coming years will not be able to raise as fast as in previous years, the paper notes, because the low grain prices affect peasants' enthusiasm for grain production and limited household-based operation is not suitable for mechanization.

The present way to arouse peasants' initiative is to raise their income by lifting grain prices.

However, the paper points out, the final solution to this problem lies in organizing family and cooperative farms and employing machinery and scientific farming methods.

To achieve this objective, it is imperative to boost rural industries to relieve large pools of labor from farmwork and concentrate farmland to a smaller number of peasants for mechanized operation.

The paper suggests trials in this direction in suburban areas of some large cities.

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CSO: 4020/96

AGRICULTURE

WHITE REVOLUTION HELPS IMPROVE FARM OUTPUT

OW150856 Beijing XINHUA in English 0836 GMT 15 Jan 87

[Text] Taiyuan, 15 January (XINHUA)—A "white revolution," now gaining momentum in north China's Shanxi Province, is said to be able to help increase grain output by about 50 percent.

The "white revolution," as called by local peasants, means covering plots with transparent plastic sheets at the early stage of crops growth to increase soil temperature and reduce evaporation, a method "especially suitable for dry, cold regions such as Shanxi," agro-technicians said here today.

Last year, Shanxi peasants earned an additional 170 million yuan by covering 120,000 hectares of farmland with plastic sheets. Included were 26,600 hectares of maize and sorghum, and the per unit output was about 50 percent higher than in 1985.

The method was developed in Japan and introduced to the province in 1979. Its use, limited to vegetable growing at first, has been extended to the cultivation of all crops, including cotton, wheat, maize, sorghum and peanut, the officials said.

Excited by last year's success, Shanxi has decided to invest another 4.5 million to promote this method and spend 3 million U.S. dollars importing the material, officials said.

As a result, farmland covered with plastic sheets will be expanded to 20,000,000 hectares, half of which will be for grain.

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CSO: 4020/102

AGRICULTURE

AERIAL SEEDING OF PASTURELAND INCREASES

OW182030 Beijing XINHUA in English 1437 GMT 18 Jan 87

[Text] Beijing, 18 Jan (XINHUA)--Reports from 23 provinces, municipalities and autonomous regions show that about 2.6 million hectares of grazing grass had been seeded by aircraft from 1979 to the end of last year.

Aeroseeded grass has survived well and helped transform pastures, green barren hills and conserve water and soil, the reports say.

Most of the grass were sown in northern China, on the Loess Plateau and in southern China's hilly areas that are suffering from desertification or serious soil erosion, according to an official from the Ministry of Agriculture, Animal Husbandry and Fisheries.

Aeroseeded grass makes good pastures in one or two years, with grass output several times higher than natural pastures. And the artificial pastures hold one to three times more animals, close to the level of advanced livestock breeding countries. The grass is more nutritious as well, according to scientists.

The progress in aeroseeding grazing grass has helped ease the shortage of animal feed and bring up the number of animals in China.

Thanks to artificial pastures, north China's Inner Mongolia and northwest China's Xinjiang Uygur Autonomous Region were reported to have brought down to death rate of animals by 5 to 15 percent, and northeast China's Heilongjiang Province has increased the number of milk cows by over 60 percent.

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CSO: 4020/96

AGRICULTURE

PEASANTS' INCOME GROWTH EXPECTED TO SLOW

OW131154 Beijing XINHUA in English 1119 GMT 13 Dec 86

[Text] Beijing, 13 Dec (XINHUA)—The net income of Chinese peasants per capita is expected to grow by an average of nine percent a year between 1986 and 1990, compared with a 15.8 percent annual increase in the previous five years.

According to today's ECONOMIC DAILY, a sample survey conducted by the State Statistics Bureau predicted that the annual income per farmer is expected to increase to 620 yuan in 1990 from 397 in 1985.

The paper attributed the relatively fast increase in this five years to the adjustment of production relations, price rises for agricultural products and the initial release of latent production potential.

By 1990, peasant households with income per capita below 200 yuan are expected to account for five percent of the total, down from 12.2 percent in 1985.

Those with per capita income of 200-500 yuan will make up 55 percent of the total, compared with 65 percent in 1985, and those with income per capita of 500-1,000 yuan will be 29 percent of the total, as against 20 percent in 1985.

Those with income of more than 1,000 yuan will amount to 11 percent of the total, compared with 2.3 percent in 1985, according to the survey.

The survey indicates that the makeup of peasants' income will also change.

By 1990, 65 percent of Chinese peasants' income per capita from family management will come from agriculture; in 1985 it was 74 percent.

The portion of the income per farmer from industry and service trades will grow to 35 percent from 25.3 percent in 1985, the paper said.

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CSO: 4020/96

AGRICULTURE

PEASANT WHOLESALE MARKETS POPULAR IN BEIJING

OW141226 Beijing XINHUA in English 1212 GMT 14 Jan 87

[Text] Beijing, 14 Jan (XINHUA)—Beijing has set up 10 wholesale peasant markets over the past 2 years, greatly improving the supply of non-staple food in the Chinese capital.

According to the municipal commercial department, the markets sell up to 300 tons of vegetables daily, accounting for a quarter of the city's total supply.

Varieties include tomatoes from Yunnan, sweet pepper from Guangdong, hot pickled mustard from Zhejiang, cauliflower from Sichuan, wild rice stems from Shanghai and lotus roots from Hubei.

With fewer merchants involved in transportation, growing and wholesale of the vegetables, the price of goods is generally 10 percent less than that of state wholesale products.

A few years ago, Beijing residents could hardly get green vegetables to eat in winter, except during spring festivals and the new year, and they had to live on cabbages they stored before winter came. Though the prices of the green vegetables available are high, residents are happy to have something green for a change sometimes, an official of the Beijing market management office said.

The wholesale markets have also lessened the burden of the state which used to spend a lot of money subsidizing state groceries.

Last year, according to the market management office, the markets sold 30,000 tons of vegetables without government subsidies. If the vegetables had been sold by the state retail shops, the state would have paid subsidies of more than 7 million yuan (U.S.\$1.9 million).

In the first 9 months of last year, the markets handled 137,300 tons of agricultural and sideline products worth 68.74 million yuan (U.S.\$18.5 million).

Beijing management offices provided information to the peasants and helped them build a marketing network.

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CSO: 4020/104

AGRICULTURE

GUANGDONG CALLS FOR INCREASED GRAIN PRODUCTION

HK1710551 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 17 Jan 87

[Text] Vice Governor Ling Botang stressed yesterday at a meeting of section chiefs of agricultural bureaus and animal husbandry bureaus of prefectures and cities: The provincial party committee and government have demanded that Guangdong's grain output this year total 38 billion jin, a rise of 5 billion jin--11.2 percent--over last year.

Ling Botang said: Due to the effects of natural disasters, there has been a big decline in the province's grain production for 2 successive years. Output last year was 900 million jin less than in 1985. The amount of grain in the peasants' hands now is much smaller than it was a few years ago. We must therefore work hard to increase grain output this year, to ensure smooth development of the province's economy.

Ling Botang said: At present the leaders at all levels must take effective steps to ensure that the sown area of grain is stabilized at last year's level. Everything possible must be done to organize the supply of superior hybrid seed and other fine seed as early possible. The agricultural departments at all levels must firm up measures for increasing grain production for each household.

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CSO: 4006/299

AGRICULTURE

HEILONGJIANG HOLDS CONFERENCE ON GRAIN PURCHASE WORK

SK111056 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 10 Dec 86

[Excerpts] Yesterday evening, the provincial government held a telephone conference on the province's grain purchasing work, calling on all localities to accelerate the work of putting soybeans into storage and to fulfill the purchase tasks within a short period of time.

The conference pointed out: This year our province has witnessed a very good situation in grain purchasing. As of 5 December, some 5.2 billion kg of grain had been purchased, accounting for 83.7 percent of the purchasing task. However, progress in storing soybeans is comparatively slow. So far, only some 1.2 billion kg of soybeans have been put into storage, accounting for 67 percent of the purchasing task. The slow progress in putting soybeans in storage should be attributed to high market prices, which have made the peasants stop selling their soybeans to the state.

Our province is one of the soybean export bases of the state. The province's soybean sown area this year was 33 million mu and the total output is approximately 3.5 billion kg. It is absolutely possible to fulfill the task of exporting 150 million kg of soybeans. All localities should give consideration to the overall situation and firmly fulfill the soybean export tasks.

In order to do a good job in soybean purchasing work, the provincial government has called on placing the next grain purchasing work emphasis on soybean purchasing.

Peasant households whose soybean fields were not plagued by serious disasters are not permitted to use corn as a substitute for soybeans. All counties and cities are also not permitted to use other varieties of grain as a substitute for soybeans. Before fulfilling the province's soybean purchasing tasks, the soybean markets will not be unrestrictedly opened in counties.

The conference called on all localities to reexamine the implementation of policies, resolutely honor contracts, make proper arrangements for the people's livelihood, and strive to comprehensively fulfill the grain purchasing tasks by the end of December.

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CSO: 4006/287

AGRICULTURE

HUBEI CONFERENCE ON FORESTRY WORK ENDS

HK210729 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 15 Jan 87

[Excerpts] The provincial conference on forestry work, which concluded today, proposed: The whole society is required to be extensively mobilized to engage in forestry so that the forestry of our province can enter upon a new phase. Guo Zhenqian, deputy secretary of the provincial party committee and governor; Qian Yunlu, deputy secretary of the provincial party committee; and Han Nanpeng, vice governor, delivered important speeches at the conference.

The conference held: Over the past few years, the forestry building of our province has entered upon a new period. Afforestation on plains and in rural areas has progressed quickly. To do future forestry work well, the conference put forward the following several points:

1. It is necessary to further deepen the understanding of party committees and governments at all levels of the importance of forestry and to extensively mobilize the whole society to engage in forestry. While deepening their understanding, we must extensively carry out publicity and mobilize the masses throughout our province to engage in afforestation. From now on, we must vigorously create a good afforestation atmosphere.
2. It is essential to carry out reform in forestry, to stabilize and perfect the party's policies on forestry, and to further arouse peasants' and state-run forestry center workers' enthusiasm for forestry production. We must penetratingly carry out reform and constantly develop and perfect the policy of three fixed in forestry ["fixed forest rights, fixed private forests, and fixed forestry production responsibility system"] in forestry.

Our province now has several dozen million mu of barren mountains. We must adhere to the principle that mountains which can be easily controlled must be controlled and that mountains which can be easily allocated must be allocated and suitably set up some collective forestry centers and cooperative forestry centers on high and remote mountains so that we can give play to the strong points of control and vigorously develop barren mountains.

3. Party committees and governments at all levels must study how to strengthen the stamina for developing forestry and how to increase investment in forestry. We must adopt special policies to support forestry. In particular, we must give

priority to the development of water and soil conservation forest, forest for conservation of water supply, and all kinds of protection forests. The provincial authorities are contemplating increasing investment in forestry. All prefectures, cities, autonomous prefectures, and provincial authorities are contemplating increasing investment in forestry. All prefectures, cities, autonomous prefectures, and counties must also increase investment in forestry. Forestry departments themselves have very great potential and must try in every possible way to increase income to enhance their own capacity.

4. It is imperative to vigorously develop the whole people's voluntary afforestation drive. This year, we must carry out propaganda and mobilization and take measures early and grasp the whole people's voluntary afforestation as important work.

5. It is necessary to further strengthen leadership over forestry. All prefectural, city, autonomous prefectural, and county party and government leaders must personally grasp this work. A leader must be assigned to take charge of forestry. We must strengthen leadership over forestry scientific and technological work, pay attention to giving play to the role of forestry science and technology personnel, and encourage them to contribute toward invigorating Hubei forestry.

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CSO: 4006/300

AGRICULTURE

SPARK PLAN PROVES 'FRUITFUL' IN HUBEI

OW160804 Beijing XINHUA in English 0757 GMT 16 Jan 87

[Text] Wuhan, 16 Jan (XINHUA)--The "Spark Plan," which was inaugurated last year by the State Science and Technology Commission to spread practical techniques in the countryside, has proved fruitful in central China's Hubei Province.

According to provincial officials, by the end of last month, about 210 projects--70 percent of the total included in the plan--had produced a total output value of 180 million yuan and a profit of 80 million.

Governments at central, provincial and local levels have invested 149 million yuan in the 296 projects of the plan which aims to help local enterprises develop and bring prosperity to farmers.

The central and provincial governments spent 35 million yuan on aquatic production by setting up 23 model farms to help improve the breeding of fish, the official said.

Fish raisers in Jingshan County harvested 250,000 kg of fish and 180,000 kg of fish fries, with an output value of 2.8 million yuan and a net profit of 1.4 million yuan, the officials said.

In Honghu lake, which has an average production of 75 kg of fish per hectare, fish raisers have used 600 hectares of the lake as an experimental production base which can produce 6,000 kg of fish per hectare, according to the official.

The government in Gonggan County has invested 100,000 yuan in developing its poultry industry. It has set up 12 enterprises which had an output value of 18.36 million yuan last year.

In fulfilling the plan, the provincial government has set much store by training skilled personnel. Now, the official said, about 14,000 people have attended courses.

In addition, about 1,000 scientists and researchers from 120 scientific research institutes and institutes of higher learning have also participated in the projects, he said.

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CSO: 4020/104

AGRICULTURE

JIANGSU DEVELOPS TIDAL FLATS FOR FARMING, FISHING

OW132311 Beijing XINHUA in English 1437 GMT 13 Jan 87

[Text] Nanjing, 13 January (XINHUA)--East China's Jiangsu Province earned an extra 600 million yuan (162 million U.S. dollars) last year by turning its 533,000 hectares of shoal areas into centers for agricultural, forestry, fisheries, and sideline production.

The shoal areas [in] this province are endowed with abundant natural resources including more than 200 kinds of shrimps and abundant fish, molluscs, oysters, mussels and cuttlefish.

The export aquatic products earned the province more than 50 million U.S. dollars--7 times the figure for 1980, according to local authorities.

The province has built state farms, and expanded and added eight saltworks over the past few years.

It also increased cotton fields, tree farms and fishing ponds by reclaiming 45,900 hectares of swampland.

With the support of the local authorities and the practice of the open policy, the peasants have raised funds from other places and foreign business people to develop fisheries, animal husbandry, fruit and food processing industries, said an official.

Local counties now pay more attention to developing export-oriented projects with less investment and quick returns. Vegetable instant freezing and laver-processing equipment supplied by Japan and other countries has greatly promoted the output of export goods.

All the 140 tons of dried laver produced last year were sold to Thailand, Japan and Hong Kong, he said.

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CSO: 4020/102

AGRICULTURE

LIAONING ESTABLISHES 1987 AGRICULTURAL TASKS

SK180956 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 17 Jan 87

[Text] The Liaoning provincial agricultural and animal husbandry work conference concluded in Shenyang City on 17 January. The conference summarized and analyzed the tremendous achievements scored in agriculture and animal husbandry and in developing the rural economy in 1986 and put forward the following guiding ideology for 1987 work: Continuous efforts should be made to implement the principles of not relaxing vigilance in grain production; actively developing a diversified economy; successfully and deeply conducting reforms in the rural areas; reasonably readjusting the production structure; and having the rural commodity economy achieve overall, steady, and stable development.

It was pointed out at the conference that despite 2 years of serious natural disasters, in 1986 the province further fulfilled the party's rural policies on agriculture and animal husbandry thanks to the common efforts exerted by the broad masses of cadres and the people. The province won an important victory in combating the disasters by making arrangements for a production structure in line with the needs of the markets and the people's livelihood and enhancing the popularization of science and technology in agriculture and animal husbandry. The province's total agricultural output value reached 9.6 billion yuan, a 9.7-percent increase of the 1985 figure. The output of grain, fruit, and vegetables showed a large-scale increase over the 1985 figure. Total animal husbandry output value, total state-farm output value, and the number of farm machines showed an increase in varying degrees.

As for the issue of how to successfully conduct agricultural and animal husbandry production this year, it was pointed out at the conference that efforts should be made to resolutely make grain production the first priority of agricultural production and to consider grain production a foundation for readjusting the production structure and as a emphasis in investing money in agriculture. While ensuring a stable increase in grain output, efforts should be made to actively develop a diversified economy to achieve an increase in agricultural output value and benefits. In 1987 the province will realize 14.25 million tons in total grain output, a 2.25 million ton increase over the 1986 figure. The acreage of grain crops will reach more than 45.5 million mu. Efforts should be made to actively develop a diversified economy and to do a good job in developing seeds for crops. In developing animal husbandry production,

efforts should be made to organize production aimed at both domestic and foreign markets in line with the focus of turning out commodities and developing animal by-products. A good job should be done in further building the base of marketable grains, animal by-products, fine-quality farm products, and export commodities.

The conference also contended that a good job should be done in making current preparations for spring farming in a timely manner so as to lay a solid foundation for achieving overall development in agriculture and animal husbandry this year.

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CSO: 4006/300

AGRICULTURE

SHANDONG BOOSTS INDUSTRY WITH COTTON PRODUCTION

OW140716 Beijing XINHUA in English 0633 GMT 14 Jan 87

[Text] Jinan, 14 January (XINHUA)—Shandong Province, China's leading cotton producer, achieved the top growth rate among national textile industry sectors last year, according to the local authorities.

In 1986, it produced more than 2 million bales of cotton yarn and 1.43 billion meters of cotton cloth. The industrial output value was 6.82 billion yuan (1.84 billion U.S. dollars), 15.1 percent more than in the previous year.

Textiles purchased for export were worth 166 million yuan (45 million U.S. dollars), up 41 percent from 1985.

Shandong doubled the production capacity of its textile industry from 1980 with the help of 3,700 looms and other machinery imported from abroad for 113 million U.S. dollars.

Now it boasts 480 textile mills in which there are a total of 2.2 million spindles and 54,000 looms.

The province became China's leading cotton producer in 1981, with annual output exceeding 1 million tons.

Its products are now exported to dozens of countries in North America, Western Europe and Asia.

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CSO: 4020/102

AGRICULTURE

BRIEFS

XINJIANG BUMPER COTTON HARVEST—Xinjiang region's gross output of cotton this year has reached some 4.52 million dan, an increase of 760,000 dan over last year. The region's average per-mu yield of ginned cotton has reached 108 jin, an increase of 9 jin over last year. The area of cotton fields of our region this year has been enlarged to some 4.17 million mu, over 90 percent of which has adopted a fine variety. The average per-mu yield of ginned cotton on the cotton fields, some 1.85 million mu, of south Xinjiang has reached 106 jin. The average per-mu yield of ginned cotton of the Xinjiang Production and Construction Corps this year is 12 jin more than last year. By the middle 10 days of November, the whole region has procured some 2.4 million dan of new cotton, 54 percent more than in the same period last year. [Summary] [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 4 Dec 86 HK] /12232

JILIN GRAIN PURCHASES—By 7 January, grain departments in Jilin Province had purchased 5.15 billion kg of new grain, 93 percent of the plan. [Excerpt] [Changchun Jilin Provincial Service in Mandarin 2200 GMT 8 Jan 87 SK] /12232

GANSU ANIMAL HUSBANDRY—Gansu Province must grow grass on 5 million mu this year and try in every possible way to develop commodity production. The province grew grass on 5.45 million mu. Compared with 1985, the number of cattle on hand of the province in 1986 recorded an increase of 4.4 percent and of sheep, an increase of 2.4 percent. The gross output value of animal husbandry in 1986 amounted to 982 million yuan and accounted for 21.5 percent of the gross agricultural output value. The per capita net income of peasants from animal husbandry reached 29 yuan. [Summary] [Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 12 Jan 87 HK] /12232

GUANGDONG CRUDE SALT PRODUCTION—The gross output of crude salt of Guangdong Province in 1986 amounted to 640,000 tons, an increase of 10 percent over 1985. The amount of crude salt exported exceeded the planned quota by 74 percent, and the province earned foreign exchange of \$1.91 million. [Summary] [Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 13 Jan 87 HK] /12232

HUNAN ANIMAL HUSBANDRY—The gross output value of animal husbandry of Hunan Province in 1986 amounted to some 3.8 billion yuan, an increase of some 300 million yuan over 1985. Last year, the provincial government appropriated 2 million yuan by way of funds for building lean meat pig bases so that the number of lean meat pig base counties of our province increased from 13 to 28.

The province has built some 1,200 fodder plants, the annual capacity of which is some 500 tons each; 13,000 households in the province engage in the transport and sale of live pigs. [Summary] [Changsha Hunan Provincial Service in Mandarin 1100 GMT 13 Jan 87 HK] /12232

XINJIANG WATER CONSERVANCY PROJECTS--According to incomplete statistics, the amount of funds raised by peasants throughout Xinjiang Region last year for farmland and water conservancy projects reached 28.5 million yuan. With the funds raised by itself, last year, our whole region repaired and built 2.10 km of antiflood channels; consolidated 11 reservoirs; and sank and modified some 1,400 motor-pumped wells, so that the problem of drinking water for some 200,000 people and some 600,000 head of livestock was solved and the irrigated areas on 2.9 million mu were improved and increased. [Summary] [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 14 Jan 87 HK] /12232

SHAANXI INVESTMENT IN AGRICULTURE--This year, Shaanxi Province has taken four measures to increase investment in agriculture: 1) beginning this year, the province, prefectures, and counties must appropriate some 10 percent of their newly increased financial resources to develop agricultural production; 2) the total amount of funds for supporting agriculture must be restored to the highest amount in the past; 3) the credit funds for agriculture must increase from 5.6 billion yuan during the Sixth 5-Year Plan to 9 billion yuan during the Seventh 5-Year Plan; 4) the investment in agricultural capital construction must account for 30 percent of the total investment in all capital construction projects. In addition, the places where township enterprises are run well must appropriate some money from their profits to support agriculture. [Summary] [Xian Shaanxi Provincial Service in Mandarin 0030 GMT 19 Jan 87 HK] /12232

HEILONGJIANG BLACK CURRANT PRODUCTION--Harbin, 22 Nov (XINHUA)--Heilongjiang Province in northeast China has planted more than 6,600 hectares of black currant orchards, a local official told XINHUA today. So far, 2,000 hectares are bearing fruit, and more than 5,000 tons are expected to be harvested this year. Black currant is rich in amino acids, citric acid, and vitamins A, B and C. The orchards are included in 6 production areas, and the province has set up more than 100 factories to process the fruit into jam, wines, soft drinks, and sweets. [Text] [Beijing XINHUA in English 0148 GMT 22 Nov 86 OW] /9274

HEILONGJIANG MARSHLAND TRANSFORMATION--Harbin, 17 Nov (XINHUA)--Scientists have found an ecologically sound cultivation system suitable for China's largest marshland on the Heilong-Nen-Liao River Plain, a local official said today. Since 1984, farmers in this part of Heilongjiang Province have grown rice in shallow areas, dug fish ponds in low-lying areas, and raised pelt-producing animals in the marsh. Output value in a 670 hectare experimental zone averaged nearly 6,580 yuan per hectare last year, up from less than 7 yuan before the new method was tried out. Scientists from 7 research institutes plan to increase the experimental zone 100 times next year, the official said. Previously, local farms and peasants used to reclaim farmland from the 1.1-million hectare marsh by digging drainage works. Output improved in dry years but dropped when it was rainy. The ecological disruption caused crop failures 9 years out of ten, the official said. [Text] [Beijing XINHUA in English 1159 GMT 17 Nov 86 OW] /9274

BUILDING, FARM MATERIALS NEEDS SURVEYED—Beijing, 8 Jan (XINHUA)—Each Chinese rural household will spend 344 yuan on farming materials this year, up 69.8 percent over 1985, according to a recent sample survey by the State Statistics Bureau. The survey, which covered 33,000 rural households in 511 counties, reported that this year each household will buy 465 kg of fertilizer, an increase of 24 percent over 1985. Each household will also need 40 kg of diesel oil, a rise by 2.6 times that of 1985. The need for petrol and coal will increase respectively by 2.5 times and four times. Building material will continue to be among the most needed goods in the rural markets. This year, the need for timber, cement, glass and steel will increase by four times, 1.5 times, four times and 2.7 times the 1985 figure. [Text] [Beijing XINHUA in English 1526 GMT 8 Jan 87 OW] /9274

GUANGDONG ANIMAL HUSBANDRY—The province's animal husbandry developed well this year. According to the statistics of the relevant departments, the province now has 22.24 million pigs on hand and sold about 14 million pigs this year, both figures marking an all-time high. The total pork output this year increased by 60,000 tons over last year. The number of sheep and cows on hand also increased. Poultry breeding has developed particularly fast. [Summary] [Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 11 Dec 86 HK] /12913

REPORT ON FARMLAND USAGE—According to statistics released by a department concerned, our province had 69.33 million mu of farmland in 1950. As of the end of 1985, the province had only 59.98 million mu of farmland due to nonagricultural construction, natural disasters, and intensive cultivation. Farmland decreased by a total of 9.35 million mu the past 37 years [as heard], more than the farmland now available in Siping City. If calculated in terms of per-mu yield of 500 kg of grain, the output of grain dropped by 4,670 million kg in those years. A total of 253,000 mu of farmland was lost each year. However, the province's population increased from 10.295 million in 1950 to 22.98 million in 1985. Thus, the per-capita amount of farmland was reduced from 6.7 mu in 1950 to 2.6 mu in 1985. If calculated in terms of the population growth rate of 6.15 per thousand, our descendants will have no area to cultivate 100 years from now. Our country will begin to carry out the PRC Land Management Law from 1 January 1987. The workers in charge of land management should call on leaders at all levels and all citizens to firmly grasp this advantageous chance to manage and use, in accordance with the law, each and every inch of land in our province. [Text] [Changchun Jilin Provincial Service in Mandarin 2200 GMT 13 Dec 86 SK] /12913

GUANGDONG WINTER CROPS—More winter crops have been planted by the province this year than last year. The province has so far planted 6.96 million mu of winter crops including barley, wheat, vegetables and green manure crops, and is expected to plant a total of 8 million mu of winter crops, an increase of between 500,000 to 600,000 mu over last year. [Summary] [Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 10 Dec 86 HK] /12913

SICHUAN HOG PRODUCTION—Chengdu, 18 January (XINHUA)—Sichuan Province in southwest China reported a record hog production last year to remain China's top hog producer for a decade. According to the provincial Statistical Bureau, the province raised 109 million head of hogs in 1986, 6 million more than in 1985, and the number of hogs slaughtered in the year came to 49 million, 4 million more than in the preceeding year. On average, every person in the province consumed 10 percent more pork in 1986 than in 1985. One hundred ninety thousand tons of frozen pork were sold to other parts of the country and 11,750 tons of pork products were exported. [Excerpts] [Beijing XINHUA in English 1445 GMT 18 Jan 87 OW] /12232

TECHNICIANS HELP GUIZHOU—Guiyang, 19 Jan (XINHUA)—Southwest China's Guizhou Province has hosted over 10,000 technicians who came to the area to help alleviate poverty. "The province covers more than 560,000 square kilometers, with 80 percent mountainous areas," a local official said, adding Guizhou is rich in natural resources, including 2,000 varieties of plants and 2,500 types of Chinese medicinal plants. "In recent years, the provincial government has worked on solving the problems of food and clothing for its people, and spreading science and technology is a short cut to put the people on the road to prosperity," the official said. Last year, technicians sent to 26 mountainous counties held 10,000 training classes in science and technology, covering subjects in agriculture, animal husbandry and fisheries, which attracted more than one million peasants, including 300 women of the Miao, Buyi, Yao, Dong and Shui ethnic minorities. While giving lectures, technicians also taught peasants practical methods they accumulated on experimental farms. As a result, grain output increased 13.4 percent last year, over 1985, and per capita income increased 11 percent, according to the provincial statistics bureau. [Text] [Beijing XINHUA in English 1309 GMT 19 Jan 87] /9604

HUBEI SEEKS TO INCREASE GRAIN OUTPUT—Wuhan, 19 Jan (XINHUA)—Central China's Hubei Province is hoping to produce more grain in the coming harvest seasons, according to a provincial official. "We expect to increase grain output 750,000 tons over last year, which was a record harvest for the province," he said. "This year," he said, "will see 5 million hectares of land sowed to grain, an increase of 6,666 hectares over last year." "We will pay more attention to the summer crop," he said, adding summer crops are grown in fields occupying 25 percent of the total grain-producing land, but output from those fields is only 20 percent of the provincial annual total. More hybrid rice will be planted and the plastic-sheet technique will be applied in cultivating corn, the official said, adding the provincial government will invest more in agriculture and allocate more chemical fertilizer to farmers. [Text] [Beijing XINHUA in English 1502 GMT 19 Jan 87] /9604

CSO: 4020/104

CONSTRUCTION

STATE PLAN TO ALLOW HOME CONSTRUCTION, SALES

OW121930 Beijing XINHUA in English 1510 GMT 12 Jan 87

[Text] Beijing, 12 January (XINHUA)—The construction and sale of private homes will, for the first time, soon be allowed under China's official state plan.

According to regulations, jointly adopted by the State Planning Commission, the Ministry of Urban and Rural Construction and Environmental Protection and the State Statistical Bureau, the state will increase its role in the management, development and business of constructing homes for sale.

The measure is to enable the country to meet its ambitious goal of providing every household with its own apartment by the year 2000. Those houses, commercial offices and other buildings constructed by local housing development companies are all included in the new plan.

Local housing development companies are responsible for their own profits and losses, as stipulated in the regulations. Funds for constructing homes for sale can be collected by issuing bonds, asking for loans from banks or by accepting down payments from buyers, according to the regulations.

Over the past few years, China has speeded up housing construction in order to alleviate its housing shortage.

Last year, the country completed 25 million square meters of housing to provide more than 300,000 apartments for residents.

Most homes in China are built and distributed by local governments and work units.

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CSO: 4020/99

CONSTRUCTION

HAINAN COMPLETES 10 KEY CONSTRUCTION PROJECTS

HK150053 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1222 GMT 12 Jan 87

[Report: "Hainan Completes 10 Key Construction Projects Last Year"]

[Text] Haikou, 12 Jan (ZHONGGUO XINWEN SHE)—By the end of last year, Hainan completed 10 of the 22 key construction projects. The construction of these projects started last year or the year before. Some items of these projects have already been put into operation.

Projects which have been completed and put into operation are: The third phase of the expansion project of the Hainan Iron Mine, the Changjiang Chahe Bridge, the project of the Haikou Station of the 1,800-channel microwave communication station, the expansion project of the mineral ore wharf of the Basuo Port, the project of the Hainan long-distant underground communication cable, the 110-kw Niulouling-Manning-Sanya power transmission and transformation line, the project of two 5,000-ton berths of the Haikou port, the classroom building of Hainan University, the cotton spinning workshop of the Haikou Weaving and Dyeing Plant, and the second 80,000-ton cement production line of the Chahe Cement Works.

The speed of the construction of Hainan's key projects was relatively high last year and the economic results obtained from them have been satisfactory. The total investment in the third phase of the expansion project of the Hainan Iron Mine was more than 200 million yuan. After the project was completed, the annual mining volume increased from 14 million tons to 15.6 million tons and the annual output of iron ore increased from 3.8 million tons to 4.6 million tons. The floor space of the cotton spinning workshop of the Haikou Weaving and Dyeing Plant is more than 18,000 square meters. It has 339 sets of principal and auxiliary machines for various kinds of specialized production and has 31,008 spindles with an annual output of 5,400 tons of cotton yarn. After the construction of the two 5,000-ton berths of the Haikou Port, the annual handling capacity of the port increased by 550,000 tons. Since the completion of the Niulouling-Manning-Sanya power transmission line, the two major power grids, one in the north and the other in the south of the island, have been linked together. This will greatly promote the development of the island's industrial and agricultural production, scientific research, and tourism.

Because of problems related to funds, the progress of the construction of the Haikou Guest House, the Hainan broadcasting and television microwave project, and the supplementary project for civil aviation of the Haikou Airport has been slow. The departments concerned have held that effective measures should be taken this year to ensure the smooth progress of key projects for transportation, energy, and telecommunication.

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CSO: 4006/306

CONSTRUCTION

NATION'S CITIES TO NUMBER 400 BY THE YEAR 1990

OW061110 Beijing XINHUA in English 0717 GMT 6 Dec 86

[Text] Beijing, 6 Dec (XINHUA)--China will have 400 cities by the year 1990, up from the present 320, according to today's ECONOMIC DAILY.

The paper cited this as an indicator of the country's fast urban growth. To become a city in China, a town usually must have a population of at least 50,000 as well as utilities and an economy adequately developed to serve its residents.

Meanwhile, the number of the towns across China will grow from 7,500 to 10,000, it said.

The number of non-agricultural residents in towns and cities will rise from 175 million to 220 million.

The paper quoted the Chinese Ministry of Urban and Rural Construction and Environmental Protection as saying that fast urbanization is due largely to large numbers of peasants moving to towns and cities following the readjustment of the rural industrial structure and the rapid expansion of rural industries.

The ministry has a number of key projects in the works during the 1986-90 period to step up construction of the urban infrastructure:

--Building new waterworks to supply 16.7 billion liters a day;

--Completing 14,000 kilometers of urban roads and putting 30,000 new buses into service;

--Installing telephone switchboards with a total capacity of up to three million lines;

--Laying 14,000 kilometers of sewage drainage pipes and building 23 major plants to treat 4.7 billion liters of waste water a day;

--Increasing the tree and grass cover to 30 percent;

--Completing 13 million apartments with a total floor space of 650 million square meters.

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CSO: 4020/105

CONSTRUCTION

BRIEFS

BEIJING URBAN CONSTRUCTION PROJECTS--Beijing, 20 Jan (XINHUA)--With the completion in 1986 of five million square meters of living space in Beijing, 80,000 families in the Chinese capital moved to new homes in 1986, a municipal government official announced today. In addition to this success, last year Beijing boasted 10 other achievements in urban construction, which included: some 100 kilometers of roads, two overpasses and two underground pedestrian tunnels built in the city center; two water-supply projects put into partial operation, increasing the city's daily supplies of water by 66 million liters; increasing the number of homes using gas for cooking to 1.3 million, 76.5 percent of the city's total; some 1.6 million trees and 1.3 sq meters of lawn planted; 27 new tourist hotels built, providing 10,000 beds; over 15,000 shopping centers added, bringing the total number of such centers in the city to 97,000; 40 new hospitals under construction, with nine already operational; and four new gymnasiums and 20 other projects in progress which will be used during the 11th Asian sports games to be held in China. [Text] [Beijing XINHUA in English 0126 GMT 20 Jan 87] /9604

CSO: 4020/105

TRANSPORTATION

BIG GROWTH NOTED IN AVIATION SERVICES IN 1986

OW081225 Beijing XINHUA in English 1100 GMT 8 Jan 87

[Text] Beijing, 8 Jan (XINHUA)---The year 1986 saw a big growth in China's aviation services, with the Civil Aviation Administration of China (CAAC), China's national flag carrier, handling a total load of 1.5 billion ton/km in terms of passengers, cargo and mail.

A CAAC official told XINHUA today that this represents an increase of 21.4 percent over the previous year.

The airline carried about 10 million passengers last year, up 33.1 percent; and 225,000 tons of cargo and mail, up 15.1 percent, he added.

Another airline---China United Airlines---carried 100,000 passengers on 12 domestic air routes last year, up 78.5 percent.

Shanghai Airlines, a company completely managed by the local government, carried more than 20,000 last year. It now flies regular air routes from Shanghai to Beijing and Guangzhou.

The CAAC official attributed the rapid increase to the opening of more air routes, an increase in the number of advanced aircraft such as the Airbus A310, Boeing 737, TU-154M and BAE-146.

But, he admitted that problems still existed in services, airport facilities and personnel. "We should make further efforts to improve our work," he said.

Air services developed rapidly in the coastal cities last year, with new routes opening up and increased flights connecting the cities of Quanzhou, Beihai, Zhanjiang and others.

Meanwhile, CAAC opened new air routes to Rome and Manila last year.

It also increased the number of charter flights between Kunming and Bangkok, Haikou and Bangkok, and Dalian and Hong Kong.

Two airports were built last year, five airports were expanded and three military airports were opened for civilian use. China is now building four airports in Chongqing, Changsha, Luoyang and Shenyang, respectively.

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CSO: 4020/98

TRANSPORTATION

REPORT ON AIR CARGO TRANSPORT JOINT VENTURE

HK090523 Beijing CHINA DAILY in English 9 Jan 87 p 2

[By "Our Staff Reporter": "Joint Venture Helps Air Cargo Transport"]

[Text] An air cargo transport joint venture handled more than 4,000 tons of goods for export last year, one-third of the total goods shipped from Beijing Airport by the Civil Aviation Administration of China (CAAC).

The venture, EAS Express Air-cargo System (China) Ltd., handled business worth 2.86 million yuan (\$771,000) in 1986 and aims to transport 5,000 tons of goods this year, said He Fangfang, EAS deputy manager.

EAS is a joint venture between China Jing'an Holdings Group, which takes 60 percent of profits, and Hong Kong Express Aircargo System Ltd, which receives the other 40 percent.

EAS is the country's first air transport agent licensed for dangerous goods shipment by the International Air Transportation Association.

With offices in 39 countries and regions, it also established a domestic network last year.

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CSO: 4020/98

TRANSPORTATION

TIANJIN IMPROVES PUBLIC TRANSPORTATION SERVICES

OW060820 Beijing XINHUA in English 0640 GMT 6 Dec 86

[Text] Beijing, 6 Dec (XINHUA)—Tianjin City has improved its public transportation services at a time when many big cities in China are troubled by poor bus service, ECONOMIC DAILY reported today.

As a public utility service, the Tianjin Bus Company had been losing money in recent years. Poor management hurt the morale and work ethic of its employees, said the daily. City residents complained that bicycles were faster than buses, the newspaper reported.

The local government listed the improvement of bus services, in this city of 4.12 million people, as one of its top priorities of the year, said the paper.

The government added 260 new buses and expanded scores of streets and road-crossings this year. It has also subsidized monthly tickets, extended bus routes and created new ones, reported the daily.

The municipal government has also helped improve work and living conditions for employees of the bus company. According to the report, the city has added canteens, bathrooms and kindergartens at terminals, and has also allocated to its workers new houses with a total floor space of 8,000 square meters this year.

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CSO: 4020/98

TRANSPORTATION

NEW GUANGZHOU-SHENZHEN RAILWAY TRACK COMPLETED

HK110757 Beijing CHINA DAILY in English 11 Dec 86 p 3

[Text] Guangzhou.—Double-tracking of the Guangzhou-Shenzhen Railway has been completed one year ahead of schedule and the new track will be opened to regular traffic on next 20 January. The second phase of modernizing the railway, electrification, will begin soon.

The project is being financed entirely by the railway with its own funds and bank loans, without government subsidies for the first time in New China.

As part of the Guangzhou-Kowloon Railway, the 147-kilometre Guangzhou-Shenzhen line was built in 1907 with British investment. Although it was upgraded several times, it still was considered inadequate for present economic development. Three years ago, it was turned over to the newly-established Guangzhou-Shenzhen Railway Company, which was given the responsibility of raising the money for improving it.

Construction of multiple tracks began in February 1984, Wu Baihua, general manager of the company, said. Some 420 million yuan (\$113 million) has been spent completing a roadbed with 7 million cubic metres of stone and earth, 42 bridges, 16 grade separations, 498 culverts, 142.6 kilometres of rails, eight new stations, and a warehouse with 30,000 square meters of floor space.

The track is of a quality that trains can travel at more than 90 kilometres an hour over 80 percent of it, Wu said.

The second phase of the project will introduce advanced equipment from both home and abroad. Included will be a new type of electric locomotive, automatic signalling, optic fibre telecommunications, and a computerized dispatching of trains.

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CSO: 4020/98

TRANSPORTATION

GUANGZHOU IMPROVING TRANSPORTATION FACILITIES

OW132110 Beijing XINHUA in English 1446 GMT 13 Dec 86

[Text] Beijing, 13 Dec (XINHUA)--Guangzhou has improved its transport facilities by pooling funds and getting loans in the past five years, according to the overseas edition of today's PEOPLE'S DAILY.

Guangzhou, capital of south China's Guangdong Province, has built six overpasses with a total investment of 300 million yuan and built a third bridge over the Pearl River with loans of 60 million yuan in the past five years.

In this way, the city, which can get only 50 million yuan a year for infrastructure from the central government, has built two bridges and renovated one, and built 35 kms of roads over the past five years.

One bridge is under construction, and a tunnel under the Pearl River is scheduled to be constructed jointly by the city government and the Guangzhou Salvaging Bureau under the Ministry of Communications.

In addition to the increased state investment, the city has used foreign investment and pooled funds to build residential quarters.

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CSO: 4020/98

TRANSPORTATION

BEIHAI PORT ENHANCES CAPACITY FOR FOREIGN INVESTMENT

LD122114 Beijing XINHUA in English 1530 GMT 12 Dec 86

["China's Southern Port Ready To Take Off"--XINHUA headline]

[Text] Beijing, 12 December (XINHUA)--Beihai port, China's southern gateway in the Guangxi Zhung Autonomous region, has enhanced its capacity for receiving foreign investors, tourists and freighters by fulfilling its basic capital construction, the ECONOMIC DAILY reported today.

Located on the north of the Beibu Gulf, Beihai now has 85 sea routes linking domestic and foreign harbors. It also has commercial links with 173 ports in 87 countries and regions. However, Beihai is one of the least developed cities among the country's 14 coastal cities open to foreign investment. With a population of less than 200,000, the city used to suffer from backward transportation and communications system.

To improve its own status and meet the needs of marine transport in southwest China, it has accelerated the construction of public utilities, including the opening of an advanced airport on Wednesday, the paper said.

Construction of two deep-water berths, which began in May 1985, is expected to finish by the end of this year, it said. These two berths will be able to accommodate vessels with a 10,000 DWT carrying capacity, and will double the annual handling capacity of the port to 1-6 [figure as received] million tons, the report said.

Beihai is also an attractive tourist resort with long, unspoiled beaches.

The city has completed the key roads leading to tourism sites. Water, power, and telecommunications systems have been basically completed, the paper said, and a group of tourist hotels have also been erected.

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CSO: 4020/99

TRANSPORTATION

DALIAN HARBOR INCREASES LOADING EFFICIENCY

OW120804 Beijing XINHUA in English 0634 GMT 12 Dec 86

[Text] Beijing, 12 Dec (XINHUA)--Dalian port in northeast China has almost eliminated the chronic problem of stockpiling of cargo as a result of new reforms and close cooperation between the railway and harbor authorities, the newspaper INTERNATIONAL BUSINESS reported today.

The goods waiting to be shipped outside the port every day were reduced from 629,000 tons to 144,000 tons, the paper said.

Now there are more vacant berths to accommodate freighters. During the first six months of this year more than 400 vessels were docked the first day of their arrival, which was rare in the past.

The paper attributed these achievements to the active cooperation of the railway department which rearranged the timetables of freight trains and transported more cargo this year.

The total volume handled by the harbor increased by 2.1 percent in the first ten months this year, while the unloading time was shortened by two days and a half, the paper said.

Another effective reform was the new power of managers which have enabled harbor authorities to harness the efforts of the departments of commodity surveying, quarantine and customs, and foreign trade shipping companies.

Dalian port handled 43.8 million tons of goods last year, according to an earlier report.

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CSO: 4020/98

TRANSPORTATION

SHANDONG PORT EXPANSION PROJECTS WELL UNDER WAY

OW150930 Beijing XINHUA in English 0639 GMT 15 Dec 86

[Text] Jinan, 15 December (XINHUA)—Expansion for Qingdao, Yantai and Shijiu ports in Shandong Province during the Seventh Five-Year Plan (1986-1990) are well under way, according to local port administration officials.

During the period, Qingdao Port will use more than 1.2 billion yuan (more than 324 million U.S. dollars) to build eight new general, coal and timber berths with a total designed annual loading and unloading capacity of 17 million tons, a 200,000-ton oil terminal and a ferry.

When completed by the end of 1990, the port will have a total annual goods-handling capacity of 55 million tons, doubling 1985, said Liu Junxian, deputy director of the port's Administration Bureau.

The oil terminal, planned to be put into operation by the end of next year, will be used to export oil from the Shengli oilfield—China's second-largest—in Shandong Province.

From 1986 to 1990, Yantai Port will build six new berths with a total annual designed loading and unloading capacity of 3.9 million tons.

They will need 352 million yuan (about 100 million U.S. dollars), Qi Lixin, a chief engineer in charge of the construction work, told XINHUA. When completed in 1989, Yantai Port will increase its capacity by about 60 percent over 1985, Qi said.

Shijiu Port, a modern coal terminal built during the Sixth Five-Year Plan (1981-1985), was put into operation by the end of last year. The port which already has two 100,000-ton berths is used to transport coal from Shanxi Province—China's leading coal producer—northern Hebei and southern Shandong provinces.

During the Seventh Five-Year Plan period, Shijiu will build another 7 groceries and timber berths, including one 10,000-ton groceries berth which was put into operation last month, according to the Port Administration Bureau.

Qingdao and Yantai were ancient ports in China. But, they have been gradually turned into modern ports following construction and expansion in the past decades, a port official said. Qingdao has now become the fifth-largest port in China after Shanghai, Tianjin, Dalian and Guangzhou.

Last year, Qingdao Port handled 26.1 million tons of goods, 36 times more than 1949 when the people's republic was founded. And it is expected to load and unload 28 million tons of goods this year, the official told XINHUA.

All ports in Shandong Province in east China had totally handled more than 50 million tons of goods last year, and by the end of 1990, the province will have a comprehensive annual loading and unloading capacity of 100 million tons, after the completion of expansion projects for the three leading ports and other smaller ports, according to the provincial government.

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CSO: 4020/99

TRANSPORTATION

XINJIANG DEVELOPS TRANSPORTATION INFRASTRUCTURE

HK210835 Beijing CHINA DAILY (Business Weekly Supplement) in English
14 Jan 87 p 1

["Xinjiang Plans Ahead for Transport Network"—CHINA DAILY headline]

[Text] Xinjiang Uygur Autonomous Region has started an ambitious programme to develop its transport infrastructure to aid economic prosperity in the western part of China in the next century.

China has for a long time been considering building up "Xinjiang into the country's western outlet for export products into the Soviet Union, Pakistan and other western countries. At present, most of the export goods produced in the central and west part of China have to be transported by land to the eastern coast to be shipped abroad.

The Beijing-based Economic Information reported that Xinjiang authorities have worked out details of a plan to upgrade all its transport services by the year 2000.

The expansion of its railways comes to the top of the agenda. By the year 2000, according to the programme, the length of rail lines will be doubled to 3,000 kilometers. This includes the upgrading of the Lanxin Railway (from Lanzhou, capital of Gansu Province, to Urumqi, capital of Xinjiang), and the expansion of the Southern Xinjiang Railway from Korla to Kashi, bordering the Soviet Union in China's farthest western area.

But the key to the latest railway development scheme is the construction of the Northern Xinjiang Railway. The first 460-kilometer section to link Urumqi to Usu is to be completed in 1988. When the second 223-kilometer section is extended to the northern border to join the railway in the Soviet Union in 1990, it will play an important role in the regional development and enhancing China's foreign trade, the paper said.

Two feeder lines for the northern railway are also planned. One is from Wutai to Yining; the other is from Usu to Karamay, where an oil production center is based.

The project is a joint venture between central government and local authorities, with total investment of 680 million yuan. Xinjiang's railways at present cover a total of 1,347 kilometers. More than three million passengers and 13 million tons of freight are carried each year.

Highways are the most important method of transportation inside Xinjiang. The regional authorities plan to upgrade the existing 13 highways totalling 5,569 kilometers. Ten highways will be tarred and widened. Three will be turned to international passages connecting with roads in the Soviet Union and Pakistan.

The 180 million yuan project to upgrade the Sino-Pakistan international highway is under way now with more than 2,200 workers on the 420-kilometer road construction. It will be completed in 1988.

Xinjiang's highways cover 22,000 kilometers, carrying about 34 million passengers and 88 million tons of freight a year.

Xinjiang also plans to expand its air service fleet by buying planes and opening new international lines. The Urumqi Airport, opened to international airlines last May, has become one of the five international airports in China after Beijing, Shanghai, Guangzhou and Kunming.

Xinjiang Airline Corporation imported four planes from the Soviet Union and two from Canada last year at the cost of 100 million yuan and now has 22 airliners. From January to September 1986, air services carried 2,050 tons of freight up 20 percent on the same period of 1985; and 160,000 passengers, up 37 percent.

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CSO: 4020/105

TRANSPORTATION

BRIEFS

RAILWAY REFORM BENEFITS GUANGDONG--Guangzhou, 15 Jan (XINHUA)--The Guangdong-Shenzhen Railway Company, which is a contracted business, is making 4.3 times as much profit as state-owned sectors, a company spokesman said today. In 1984, the company took the 147-kilometer railway from Guangzhou to Hong Kong under its administration. At the time, the railway, built in 1903 and one of the busiest in the country, needed double-tracking to ease congestion. "After 3 years of contract management of the railway," the spokesman said, "the net profit created per person in the company is 6.6 times the average profit made per person in the ministry." Besides, the company makes an annual foreign currency income of U.S.\$40 million, 70 percent of the total foreign currency earned by China's railway industry. The company has handed over to the state 150 million yuan as tax and earned for itself 389 million yuan, said the spokesman, who expected that the double line will be completed by the end of this month. [Text] [Beijing XINHUA in English 0750 GMT 15 Jan 87] /9604

GUANGZHOU'S SHANTOU AIRPORT--Beijing, 10 Jan (XINHUA)--An airport in the Shantou Special Economic Zone, south China, will be open to foreign passengers on 17 January, said the Civil Aviation Administration of China [CAAC] here today. A CAAC official said that the opening of the airport will help meet needs for the country's opening to the outside world and developing tourism. CAAC, the Chinese national carrier, will run chartered flights from Shantou to Hong Kong and Bangkok, the official said. China will open the airport to foreign airlines later, he added. There is regular air service between Shantou and Guangzhou from the former's smaller airport. The expansion project began last July and required a total investment of more than 60 million yuan (nearly U.S.\$17 million). It can now accommodate airplanes such as the MD-82. [Text] [Beijing XINHUA in English 1040 GMT 10 Jan 87] /9604

GUANGDONG BRIDGE--Guangzhou, 12 Jan (XINHUA)--Over 1,000 people, including groups of Chinese from abroad and Hong Kong and Macao, attended a ceremony today for the opening of a bridge in Taishan County, in Guangdong Province. The 1,000-meter-long, 12.5-meter-wide bridge was built with an investment of 17 million yuan. Of this, 3.5 million Hong Kong dollars (about 740,000 yuan) were donated by overseas Chinese and 860,000 renminbi, by local people,

according to local officials. The bridge, leading to Guangzhou and other cities, has been built to ease the local traffic congestion, the officials said. [Text] [Beijing XINHUA in English 1013 GMT 12 Jan 87] /9604

TIANJIN PORT COMPUTERIZATION--Tianjin, 21 Jan (XINHUA)--A giant harbor computerization project will be completed by 1990 in Tianjin, a leading port in north China, XINHUA learned today. Involving an investment of 34 million yuan (about U.S.\$9.4 million), the project will cover the production management, planning and calculation, tallying, accounting, personnel, equipment, power supply and capital construction systems of the port. Computerization is expected to raise the handling capacity of the harbor's 34 berths and reduce cargo damage by about one fifth. The annual handling capacity of Tianjin--the third largest port in China--is more than 18 million tons. [Text] [Beijing XINHUA in English 0134 GMT 21 Jan 87] /9604

NEW PORTS GO INTO OPERATION IN GUANGXI--Nanning, 14 December (XINHUA)--Seven new berths for 10,000 DWT-class ships were officially accepted at a ceremony today at Fangcheng Port, 176 kilometers south of this capital of Guangxi Zhuang Autonomous Region. With these deep-water berths put to use, the port has become the third largest in south China, following Huangpu and Zhanjiang ports in Guangdong Province, a local official told XINHUA. Fangcheng Port, in Beihai City, is now able to handle 3.63 million tons of cargo a year. Its cargo handling capacity will increase to 4.7 million tons with some more servicing facilities added. Beihai is one of the 14 coastal cities designated in 1983 to open to foreign investors. Since then, the port has received some 50 ships from a dozen foreign countries, he added. Completion of the new berths will not only benefit Guangxi, but also the other southwest China provinces--Yunnan, Guizhou and Sichuan--by helping increase their contacts with the world, the official said. Construction of the new berths were ordered by the central government in 1974, and the first two of them were completed on 1 October 1983. [Text] [Beijing XINHUA in English 0905 GMT 14 Dec 86 OW] /12858

GUANGXI PORTS UPGRADED FOR EXPORT GOODS--Beijing, 15 December (XINHUA)--Three ports in south China's Guangxi Zhuang Autonomous region are set to become export outlets for the southwest provinces, according to today's overseas edition of the PEOPLE'S DAILY. Vice-Chairman of the regional government Cheng Kejie said, "the three ports of Beihai, Fangcheng and Wuzhou will be capable of handling six million tons of cargo next year." Up to now, goods had to be exported from Yunnan, Guizhou and Sichuan provinces through the ports of Zhanjiang, Shanghai, Huangpu and Tianjin. Seven berths for ships of 10,000 DWT in the Fangcheng Port are expected to open by the end of this year, with an annual handling capacity of 4.7 million tons. Cheng said, "the railway line from the region's capital in Nanning to the port will soon be open for business." Two wharfs for vessels of 10,000 DWT have been added to the Beihai Port and eight infrastructure projects are also being built, according to Cheng. A Guangzhou-Nanning-Beihai air link will open soon, the paper said. [Text] [Beijing XINHUA in English 1308 GMT 15 Dec 86 OW] /12858

CHANG JIANG HIGHWAY BRIDGE--Wuhan, 1 Dec (XINHUA)--The construction of the Wuhan Yangtze River Highway Bridge will top the list of the key projects in China during the Seventh 5-Year Plan (1986-1990). An official said the suspension bridge with a span of 400 meters is planned to be built in Wuhan City, capital city of Central China's Hubei Province, between the Huangpu Road in Hankou District and Xudong Road in Wuchang District. Over 20 experts from Beijing, Tianjin, Shanghai gathered here to work on the feasibility study of the project, he said. An expert said the bridge is expected to carry half of the vehicles which at present pass over the Wuhan Yangtze River Bridge--one of China's largest bridges over the Yangtze built in the 1950's. [Text] [Beijing XINHUA in English 1111 GMT 1 Dec 86 OW] /9274

HENAN ELECTRIFIED RAILWAY--Beijing, 11 Nov (XINHUA)--The building of an electrified railway between Luoyang and Shanmanxia in Henan Province was completed today and the railway authorities expect that it will open by the end of the year. Some 137 km long, the line has 18 tunnels and 30 bridges. [Text] [Beijing XINHUA in English 0215 GMT 11 Nov 86 OW] /9274

SHENZHEN HIGHWAY TUNNEL--Shenzhen, 10 Nov (XINHUA)--A 2,260-meter highway tunnel in Shenzhen, one of China's four special economic zones, is now open to traffic, improving the city's communications with Shataukok, a Hong Kong-Chinese mainland border town. Shenzhen and Shataukok used to be linked only by a highway which twists over the 600-meter-high Wutong Mountain. Since last year, the number of motor vehicles travelling between Hong Kong and Shenzhen has increased 30-fold and the existing highway was unable to meet the growing transport pressure, local officials said today. So the tunnel, which was put into operation yesterday, was punched through Wutong Mountain, shortening the distance between the 2 destinations by 5 kilometers. The tunnel is equipped with ventilation, signaling lighting, communications and alarm facilities, which are controlled by a monitoring center. The officials described it as the most up-to-date tunnel in China. It will also serve as a link on the highways to the nuclear power plant at Daya Bay, the sea port there and the Lantian Industrial Zone. [Text] [Beijing XINHUA in English 1439 GMT 10 Nov 86 OW] /9274

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